

# A Study on the Customer Retaining Strategies Adapted by the Bakery Retailers relevant with Coimbatore city

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**Abstract** - To understand the customer, it is necessary to know his needs, wants, and demands. Getting customers for a business is important not by just doing the business but focusing on what they expect from the business and framing tactics to attain it. This will aid to increase the base of the customer. The key in the bakery business is to concentrate on what they are purchasing again and again when they approach the bakery. This will enhance the sales, and gradually the revenue will increase, leading to the growth of the profit. Customers normally think about the values of the bakery, the sales, the variety, the ambience and so on. The exchange of such values, i.e. payment for the baked items or confectionaries, must bring delightedness inside the customers. That has to start from a small level, like welcoming customers with a smile. Customer-centric ideas are essential, and those will meet the current and future needs of the customers, which will help the business organisation to retain them.

**Keywords** - Customers, Demand, tactics, bakery business, delightedness, profit

## I. INTRODUCTION

Customers are the kings of the retailers. They can't be considered as faraway folks from the business. They are actually the crux of the business. Especially for a bakery, tastes and preferences are the most sensitive issue. The feedbacks of the consumers are essential here to change, modify or implement the alterations in the mentioned factors. Retaining the customers is a valid thought of all bakery retailers. The bakery retailers' business depends on the customers and their satisfaction. Each bakery professes to encourage customer loyalty too. Such customers will always have a repetition on purchasing on the product. Creating value is also important. But the value annexed with the product must reach the hands of the customers. The customers either impact the product directly or indirectly. Customer's decision mostly depends on the first time satisfaction of these values. This is mainly

applicable in bakeries. The money they are paying has the highest expectations, and the mere satisfaction must be raised to delightedness. Apart from the price, time, effort, and comfortability are also most essential to retain a customer.

Irrespective of the size of the bakery, it requires the attraction of customers. Friendly customer service is also essential to add more value to the service rendered to customers. Distinguishing one's business is also essential, and this will help to avoid certain adversities. Through such distinguish, your business will get a brand name because consumers can easily remember the brand names. Very firm customer service can be provided to a customer to retain them.

## A. Objectives

- To study the strategies adopted by bakeries to retain the customers.
- To observe the value given to the customers by implementing their ideas in the progress
- To know about the sales plans of bakeries and manage the bad debts
- To analyse the retailing capabilities of the bakery owners.

So the strategy on retaining customers has been vigorously adapted by the bakery retailer. The following statistical tools are used to analyse this objective.

- Test Statistics (Table of means)
- Chi-Square ( $\chi^2$ ) analysis
- GARRETT'S rating scale method

## B. Strategy on Managing bad debts by the bakery retailer

The bakery retailers are giving credits to the customers for their comfort and facility. The customers are paying these amounts once a month. This is usually an oral agreement between the retailers and the customers. If the amount is not given by some persons, then it is considered a loss. But majorly, this does not happen. The retailer could respect the customers, and they



would believe in the repayment of debts. The researcher is also much interested to find out the reasons for managing bad debts by the bakery retailers.

Null Hypothesis (H<sub>0</sub>): - All the strategies and ideas followed by the bakery retailers have, on average, the same level of opinion towards managing bad debts.

Alternative Hypothesis (H<sub>1</sub>): - All the strategies and ideas followed by the bakery retailers do not have, on average, the same level of opinion towards managing bad debts. Level of Significance: -  $\alpha = 0.05$

**Table 4.1. Strategy on Managing bad debts by the bakery retailer Test statistics**

Strategies	Observed N	Expected N
Not giving credit to that particular person	60	75.0
Giving no products until paying the debts	92	75.0
If the very small amount, just leave it	67	75.0
Urging the person to pay the debt.	81	75.0
Total	300	

**Table 4.2. Chi-Square Test on Strategy on Managing bad debts by the bakery retailer**

Chi-Square ( $\chi^2$ )	8.187
df	3
Asymp. Sig.	.042

*Inference*

Since Sig. (p) is less than 0.05 the level of significance. Hence the null hypothesis is rejected. From the above table, it is understood that there are two ideas or strategies followed by the bakery retailers to retain the customers are, giving no products until the debts are paid and urging the person to pay the debt in a very soft approach. A good relationship and approach have to be maintained between the customers and the retailers/sellers. This would retain the customer towards the bakery for a long period. But at the same time, the debts have to be collected from the customers. The above mentioned two ideas would be followed suitably to retain the potential customers.

*Considerations of Suggestions from customers*

Suggestions and feedback from the customers must be entertained. Because the customers are consuming the products and services gives the real picture about it. It is also a chance for bakery retailers to know about the mistakes in their progress. By having this idea, the researcher is much interested to find out the major suggestions given by the consumers or customers.

Null Hypothesis (H<sub>0</sub>): - All the suggestions given by the customers have, on average, the same level of consideration by the bakery retailers.

Alternative Hypothesis (H<sub>1</sub>): - All the suggestions given by the customers do not have, on average, the same level of consideration by the bakery retailers.

Level of Significance: -  $\alpha = 0.05$ .

**Table 4.3. Consideration on Suggestion from Customers - Test statistics**

Strategies	Observed N	Expected N
About taste of products	56	50.0
About Services	158	50.0
About price	42	50.0
About Hygiene / House Keeping	10	50.0
About varieties	29	50.0
About lighting and Decoration	5	50.0
Total	300	

**Table 4.4. Chi-Square Test on Consideration on Suggestion from Customers**

Chi-Square ( $\chi^2$ )	316.600
df	5
Asymp. Sig.	.000

*Inference*

Since Sig. (p) is less than 0.05, the level of significance. Hence the null hypothesis is rejected. From the above table, it is understood that the suggestions given by the majority of customers are about the services and the taste of the products. The concern bakery retailers must accept, and they should make the necessary changes and rectification in this, for the growth of their sales. The customers are also happy if their suggestions have been considered and they maintain a good relationship of retaining themselves.

*Rectifications on a suggestion from customers*

Valuable feedback and suggestions by the customers are the basis for any customer-oriented business to formulate its future customer service improvement plans. So, the bakery retailers keep on carrying out regular after-service surveys to monitor the quality of their services and to gather comments for improvement of services. Some bakeries do oral queries, and some others get it written.

Null Hypothesis (H<sub>0</sub>): - The bakery retailers are occasionally rectified with the suggestions from the customers for the development of the bakery.

Alternative Hypothesis (H<sub>1</sub>): - The bakery retailers do not occasionally rectify the suggestions from the customers for the development of the bakery.

Level of Significance: -  $\alpha = 0.05$ .

**Table 4.5. Rectifications on a suggestion from customers - Test statistics**

Strategies	Observed N	Expected N
Regularly	168	48.0
Occasionally	94	204.0
Rarely	38	48.0
Total	300	

**Table 4.6. Chi-Square Test on Rectifications on a suggestion from customers**

Chi-Square ( $\chi^2$ )	361.397
df	2
Asymp. Sig.	.000

*Inference*

Since Sig. (p) < 0.05, the level of significance, hence the null hypothesis is rejected. From the table, it has been identified that the majority of the bakery retailers regularly consider and do the rectification on the arrangements with the opinion or feedback given by the customers for the growth of the business. This makes

the customers happy, and they feel that their suggestions would be considered, so that, they prefer to have a strong retain by repeating the purchases from the same bakery.

**II. CUSTOMER BASES FOR THE BAKERY RETAILING - GARRETT'S METHOD**

A bakery is a place where many customers have their own choice. In such a manner, the retailers also have choices on the customer base. This leads to the identification of a suitable location. Both accessibility and availability help to achieve successful service for best marketing. Here the customer needs have been given high importance for a good service. Based on the customer convenience, the location of the bakery has been decided by the bakery retailers. For these percentile positions, scores were taken from Garrett's table. Using the score, the following table was constructed.

**Table 4.7. Customer bases for the bakery retailing**

Rate	1	2	3	4	5	6	7	8	9	Total	Rank
Score (X)	81	69	62	56	50	45	38	31	19		
School/College Students (F1) XF1	43 3483	20 1380	27 1674	41 2296	39 1950	54 2430	24 912	20 620	32 608	15353	5
Executives and Officers (F2) XF2	28 2268	28 1932	35 2170	30 1680	58 2900	43 1935	35 1330	28 868	15 285	15368	4
Workers in nearby companies and mills (F3) XF3	5 405	20 1380	17 1054	37 2072	42 2100	50 2250	53 2014	39 1209	37 703	13187	9
Worker from near organizations (F4) XF4	11 891	12 828	30 1860	36 2016	30 1500	42 1890	60 2280	47 1457	32 608	13330	7
Emp. Near from the Manufacturing Industries (F5) XF5	4 324	19 1311	52 3224	61 3416	42 2100	38 1710	36 1368	26 806	22 418	14677	6
People and Emp. From Nearby Hospitals/Health centers/Clinics (F6) XF6	13 1053	80 5520	40 2480	38 2128	30 1500	22 990	19 722	36 1116	22 418	15927	2
People from nearby Bus stand / Bus Stop (F7) XF7	85 6885	70 4830	31 1922	16 896	19 950	20 900	31 1178	25 775	3 57	18393	1
People from nearby Railway station (F8) XF8	43 3483	23 1587	22 1364	18 1008	13 650	19 855	33 1254	51 1581	78 1482	13264	8
Other floating people (F9) XF9	68 5508	28 1932	46 2852	23 1288	27 1350	12 540	9 342	28 868	59 1121	15801	3

From the table, it is clearly understood that the preference is given to target customers by the bakery retailers. They have given the first rank to the consumers/customers near a bus stop or bus stand. These people surely turn themselves for consumption. The second rank for the target customers has been given to people and employees from the nearby

hospitals / health centers / choices. In these areas, the workers need a small break to refresh them.

The third rank is for the floating customers. These customers, if they cross a bakery in between their regular schedule, they prefer to consume an item from the bakery. The fourth rank has been given to executives and officers. Many of them are field staff. Bakeries are one of the main refreshing areas for them. School and college students have been given the fifth rank. These customers wish to taste varieties in various items.

Employees near manufacturing industries are in the sixth rank of target customers. Originally, the tea shops were opened for them. Later, the ranking items were added to it. They also refresh from baking items. The

seventh rank is given to workers near the other organizations. Some bakeries are even providing lunch (variety rice) to them. People nearby to the railway stations have been in the position of the ninth rank. Nowadays, many businesses are getting through, as they are nearby a railway station. So, bakeries are also utilizing this opportunity. The ninth rank has been given to the customers as workers in nearby companies and textile mills.

**III. PRODUCT PREFERENCE FOR DOOR DELIVERY - GARRETT'S METHOD**

The door delivery idea of bakery retailers in residential areas has acclaimed a big success. The customers get their preferred products and services at their doorsteps. This becomes the latest addition to the series of the bakery business.

During the time of festivals, door delivery has been offered by the bakery retailers much to the customers. More profit could be earned by the bakery retailers by this strategy. For these percentile positions, scores were taken from Garrett's table. Using the score, the following table was constructed.

**Table 4.8. Product preference for door delivery**

a	1	2	3	4	5	6	7	8	9	Total	Rank
Score (X)	81	69	62	56	50	45	38	31	19		
Cake Varieties (F1) XF1	43 3483	19 1311	25 1550	25 1400	28 1400	27 1215	19 722	12 372	34 646	12099	4
Puff Varieties (F2) XF2	19 1539	34 2346	41 2542	42 2352	30 1500	14 630	22 836	23 713	7 133	12591	2
Cutlet Varieties (F3) XF3	6 486	11 759	15 930	24 1344	36 1800	46 2070	33 1254	32 992	29 551	10186	8
Snacks & Sweets (F4) XF4	13 1053	16 1104	36 2232	39 2184	29 1450	30 1350	29 1102	26 806	14 266	11547	5
Bread and Bun items (F5) XF5	21 1701	9 621	25 1550	27 1512	19 950	36 1620	41 1558	34 1054	20 380	10946	6
Biscuit Items (F6) XF6	9 729	11 759	18 1116	22 1232	37 1850	28 1260	34 1292	25 775	48 912	9925	9
Cool Drink Varieties (F7) XF7	6 486	19 1311	34 2108	26 1456	33 1650	29 1305	28 1064	33 1023	24 456	10859	7
Tea (F8) XF8	103 8343	17 1173	19 1178	9 504	8 400	10 450	14 532	32 992	20 380	13952	1
Coffee (F9) XF9	12 972	96 6624	19 1178	18 1008	12 600	12 540	12 456	15 465	36 684	12527	3

The above table shows the bakery retailers' opinion on customer preference of door delivery. The first rank has been given to tea. It is mentioned as parcel tea for door delivery purposes. The Second rank is given to puff varieties. Customers order puff varieties for a delicious feast. The third choice is coffee. As with parcel tea, the parcel coffee is also delivered by the bakery retailers. The fourth rank is given to cake's varieties. There are various flavours that are preferred by the customers, and they do not concentrate on price, regarding the door delivery on cakes. The fifth rank has been given to snacks and sweets. Sometimes, bulk purchase is possible during celebrations by the customers for their neighbours and relatives. The sixth rank is given to bread and bun items. In everyday meals, this plays a pivotal role in household consumption. At festival or family functions, cool drinks have been served to visitors and guests. So, there is also a chance for bulk purchase of these items. The eighth rank has been given to cutlet items. The bakery has both vegetarian and non-vegetarian varieties in cutlet varieties. Few persons opt for door delivery on cutlets. The ninth rank has been given to Biscuits.

#### IV. FINDINGS

1. There are two ideas or strategies followed by the bakery retailers to retain the customers are, giving no products until the debts are paid and urging the person to pay the debt in a very soft approach.
2. A good relationship and approach have to be maintained between the customers and the retailers/sellers. This would retain the customer towards the bakery for a long period. But at the same time, the debts have to be collected from the customers.
3. The suggestions given by the majority of customers are about the services and the taste of the products.
4. The majority of the bakery retailers regularly consider and do the rectification on the arrangements with the opinion or feedback given by the customers for the growth of the business.
5. This makes the customers happy, and they feel that their suggestions would be considered, so that, they prefer to have a strong retain by repeating the purchases from the same bakery. The preference is given to target customers by the bakery retailers.
6. They have given priority to the consumers/customers near a bus stop or bus stand. These people surely turn themselves for consumption. According to Garrett's Rank method, the second rank for the target customers has been given to people and employees from the nearby hospitals/health centres/choices. In these areas, the workers need a small break to refresh them.
7. Then the preference falls on towards the floating customers. These customers, if they cross a bakery in between their regular schedule, they prefer to consume an item from the bakery.
8. The research observed further the focus has been given to executives and officers. Many of them are field staff. Bakeries are one of the main refreshing areas for them. School and college students have been given in the next position. These customers wish to taste varieties in various items.
9. Employees near manufacturing industries are in the continued progress of target customers. Originally, the tea shops were opened for them. Later, the ranking items were added to it. They also refresh from baking items. They further gave importance to workers near the other organizations.
10. Some bakeries are even providing lunch (variety rice) to them. People nearby to the railway stations, especially the passengers, are also consumer products and services from the nearby bakery. Nowadays, many businesses are getting through, as they are nearby a railway station.

#### V. SUGGESTIONS

1. Other modern ideas can also be adaptable, like using PayTM and Google Pay to pay the amount by the customer so that the customer may be happy to pay in a way that they will be retained to the business.
2. In a few products, the services have to be assertively provided by the sellers rather than too much aggressiveness. The concern bakery retailers must accept, and they should do the necessary changes and rectification in this, for the growth of their sales
3. The customers would be happy and satisfied if their suggestions and ideas to improve the service have been considered, and they maintain a good relationship to retain them.
4. All the customers shall be given equal importance, including the person who is visiting the bakery for the first time.
5. A bakery must utilize all the opportunities nook and corner to retain the customers.

#### VI. CONCLUSION

Though retaining customers is a challenging task for the business, it is inevitable for the bakery business. Because this business requires the delightedness of the customers. Bakeries have to promote themselves. Serving a variety of foods and beverages along with baked and confectionaries will help the bakery retailers to retain the end-users or customers to bring the business to a better level. Nowadays, few bakeries are also promoting themselves through social media, which is also a good thought to viral the brand name of the

bakery. But at the same time, certain cautiousness is also essential. Make the message crisp and impulsive, which can draw the quick attention of the customers. The researchers here also observe that few bakeries the employees in the bakeries become very fond with the customers. The customers are very happy when they have been served by the person who knows very well to him or her. Speck problems have been easily resolved by them; perhaps such employees must not quit the job from the bakery for any reason. In that case, one satisfied customer may announce it and bring other people towards the bakery.

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