

**Project Report on “EFFECT OF LOYALTY PROGRAMMES IN
DIFFERENT CONVEINENCE STORES IN GURGAON”**

**Project Report Submitted in Partial fulfillment of requirement for the award degree of Master of
Business Administration**

MASTER OF BUSINESS ADMINISTRATION

PROJECT SUPERVISOR:

SUBMITTED BY:

BATCH

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CHAPTER SCHEME

This study is divided into various chapters. The organization is as follows:

Chapter 1

Significance of study

Review of exiting literature

Chapter 2

Conceptualization, which includes introduction of loyalty programs in different convenience stores,
Focus of Problem

Chapter 3

Introduction of Retail industry, Retail industry in India, types of Retail in India, company profile.

Chapter 4

Objectives of study

Chapter 5

Research Methodology, which includes Research Design, Collection of Data and Data Analysis and Interpretation.

Chapter 6

Conclusion and Suggestion for selecting any convenience stores, Limitations of Study, Summary of entire project & Bibliography.

OBJECTIVES OF THE STUDY

The main objective of any kind of research is to understand the reality behind a phenomenon. It involves a systematic investigation involved to add to the available information through scientific procedures. The project undertaken by me as a part of my M.B.A. course is an effort made to study of convenience stores with emphasis on effect of loyalty programmes on customers of convenience store.

“To Study the Effect of Customer Loyalty Programs in different Convenience Stores in Gurgaon”.

- To study the Customer Loyalty Programs in different convenience stores.
- To know that how they attract to the Customers for purchasing in the convenience stores.
- To know the Effect of Loyalty program on customers.

Significance of study

- Significance of study is important for the retail companies. Who fail or lack in customer loyalty program in convenience store. It is to study that how the loyalty programs attract to the customers and effects of loyalty program on customers.

Review Existing Literature

Loyalty', in day-to-day life, implies an unselfish belief in institutions or unswerving fidelity in marriage, or emotional commitment to friends. Loyalty also suggests monogamy: one choice above all others. 2 Another definition is: "A deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive behaviour reflecting purchase of the brand despite situational influences and marketing efforts having the potential to cause a switching behavior."

Loyalty is, in simpler terms, a reliance on a particular brand or company even though numerous satisfactory alternatives may exist. Loyalty helps build relationships. It requires that companies view customers as people first and consumers second. Trust, commitment, ethical practices, fulfillment of promises, mutual exchange, emotional bonding, personalization and customer orientation have been reported to be the key elements in the relationship building process (Levitt,1986;Gronroos, 1994; Morgan,1994; Gummesson,1994;Bejou et al,1998).

On May 1, 1981 American Airlines launched the first full-scale loyalty marketing program of the modern era with the Advantage miles program. Within a few years, dozens of travel industry companies launched similar programs. The Advantage program now boasts over 50 million active members.

American Airlines' Advantage program can trace some of its roots to S&H Green stamps which were a popular retail reward coupon issued very commonly from the 1930s through the 1980s. Typically, as a consumer shopped at various grocery and dry good stores, they would receive a set number of Green Stamps that could be pasted into booklets and redeemed for prizes.

Another early "loyalty marketing" program was created by baking brand Betty Crocker. In 1929, Betty Crocker issued coupons that could be used to redeem for items like free flatware. In 1937 the coupons were printed on the outside of packages, and later the Betty Crocker points program produced a popular reward catalog from which customers could pick rewards using their points. In 2006, it was announced that the Betty Crocker Catalog was going out of business and that all points needed to be redeemed by December 15, 2006. With it, one of the earliest loyalty programs ends a 77 year tradition.

Introduction of Customer loyalty Programmes

Loyalty: Loyalty', in day-to-day life, implies an unselfish belief in institutions or unswerving fidelity in marriage, or emotional commitment to friends. Loyalty also suggests monogamy: one choice above all others. 2 Another definition is: "A deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive behaviour reflecting purchase of the brand despite situational influences and marketing efforts having the potential to cause a switching behavior." loyalty is, in simpler terms, a reliance on a particular brand or company even though numerous satisfactory alternatives may exist. Loyalty helps build relationships. It requires that companies view customers as people first and consumers second. Trust, commitment, ethical practices, fulfillment of promises, mutual exchange, emotional bonding, personalization and customer orientation have been reported to be the key elements in the relationship building process (Levitt,1986;Gronroos, 1994; Morgan,1994; Gummesson,1994;Bejou et al,1998).

Defining Customer Loyalty

Customer loyalty is the practice of finding, attracting, and retaining your customers who regularly purchase from you. It is different from customer satisfaction. Customer satisfaction is the basic entry point of good business practices. Loyalty cards and programs have their rewards and pitfalls. Rewarding customers for spending more Rupees can create a vicious cycle of creating customers who want rewards and will look anywhere to obtain them. With loyalty cards and programs reaching a saturation point. Software, card programs, and loyalty schemes are the tools of customer loyalty programs but they aren't the essence of loyalty. To build loyalty, you must earn it. Look at these 8 ways to earn more customer loyalty for business.

Ten ways to build customer loyalty:

Communicate. Whether it is an email newsletter, monthly flier, a reminder card for a tune up, or a holiday greeting card, reach out to your steady customers.

Customer Service. Go the extra distance and meet customer needs. Train the staff to do the same. Customers remember being treated well.

Employee Loyalty. Loyalty works from the top down. If you are loyal to your employees, they will feel positively about their jobs and pass that loyalty along to your customers.

Employee Training. Train employees in the manner that you want them to interact with customers. Empower employees to make decisions that benefit the customer.

Customer Incentives. Give customers a reason to return to your business. For instance, because children outgrow shoes quickly, the owner of a children's shoe store might offer a card that makes the tenth pair of shoes half price. Likewise, a dentist may give a free cleaning to anyone who has seen him regularly for five years.

Product Awareness. Know what your steady patrons purchase and keep these items in stock. Add other products and/or services that accompany or compliment the products that your regular customers buy regularly. And make sure that your staff understands everything they can about your products. Read Know Product Basics for more.

Reliability. If you say a purchase will arrive on Wednesday, deliver it on Wednesday. Be reliable. If something goes wrong, let customers know immediately and compensate them for their inconvenience.

Be Flexible. Try to solve customer problems or complaints to the best of your ability. Excuses? Such as "That's our policy"? Will lose more customers then setting the store on fire. Read our 60-Second Guide to Managing Upset Customers for more information.

People over Technology. The harder it is for a customer to speak to a human being when he or she has a problem, the less likely it is that you will see that customer again.

Know Their Names. Remember the theme song to the television show Cheers? Get to know the names of regular customers or at least recognize their faces.

RESEARCH METHODOLOGY

Market research design	:	Descriptive cum Exploratory
Data source	:	Primary & secondary
Research approach	:	Survey method
Research instruments	:	Questionnaire
Types of question	:	Close as well open ended, Likert Scale, Ranking Scale
Sample size	:	40 samples
Mode of data collection	:	Respondents to be chosen randomly. (Random Sampling)

Sample Size

A sample size of 40 people selects to do this project, which is random sampling keeping in mind the basic criteria. The procedure for conducting the study requires a lot of attention to paid, for it has a direct bearing on securing reliable and meaningful information. It is because of this reason the research methodology adopted for a study needs to be elaborated upon. At the same time Research Methodology helps the researcher to give his reason for adopting a certain cause of action, while ruling out the other. With this idea in mind, the methodology has been separately mentioned in this study.

Statistical Tools : In my research, I will be use some statistical tools like: hypothesis, ranking scale, Likert scale, table, & graph, etc. I use hypothesis for to know the association between age and switching of brand preference. Table & graph used for analysis of data.

Research Design

Research design is the plan for a study that will lead to the most economical method for collection of the required data and their analysis. It is a proposed and properly designed most of unnecessary and useless labors in collecting unnecessary data will be saved. The present study is descriptive cum exploratory in nature, for it seeks to discover the ideas and insights and to bring out new relationships.

Sample Design

In most of the research studies, the amount of work is always limited by shortage of time and resources within these limitations, for the present study the sample is selected stratified random sample.

Data Collection Method

In fact, the data collection is a basic step and of vital importance, on which success or failure of the study depends. All marketing researchers can adopt two sources for investigation.

- a) Primary data
- b) Secondary data

In this present study, we will be use the method of primary and secondary data collection. I collect data with the directly response of respondents. The survey technique is used to collect the data through observation method personal interview & telephonic interview.

Used method for data collection:

Questionnaire method: The questionnaires are use by me for the purpose of data collection were of structured type (Non-disguised).

Contact method: In order to derive information for the intended Company, it is elementary for me to search for a link which could enable me to conduct a research in that company.

Hypothesis Testing:

Null hypothesis: H0

Alternative hypothesis: H1

H0= There is no significance association between Age and Switching the preference of convenience store

H1= There is significance association between Age and Switching the preference of convenience store.

Statistical Test: Chi square is the most appropriate test.

Level of significance (α) = 5% level (Table value 9.488)

Degree of freedom = $(r-1)(c-1) = (5-1)(2-1) = 4$

$\chi^2 = (F0 - Fe)^2 / Fe$

Critical test value: For $\alpha=0.5$ and d.f = 16, the critical test value is 6.9739

Interpretation:

Hypothesis testing is showing that there is no relationship between Age and Switching of preference convenience store. So any person can switch their brand choice.

BIBLIOGRAPHY

Sources:

Questionnaire

Internet site

I visit on the cyber café for more information

www.wikipedia.com

www.ril.com

www.google.com

www.projectsparadise.com

www.scribd.com

www.spencer.com

Books refer

1. Pradhan Swapna; Retailing Management; Tata McGraw Hill, New Delhi.
2. Kothari, C.R.; Business research methodology
3. Gupta, S.P, Business Statistics

Directly response of customers.

Interaction with Company employee.

Questionnaire

I am _____ and I am pursuing MBA from _____. I am doing research on my project relating to **“TO STUDY THE EFFECTS OF CUSTOMER LOYALTY PROGRAMMES IN DIFFERENT CONVENIENCE STORES IN GURGAON”** For this purpose I want to my questionnaires filled to know your response about the Convenience stores.

Name: _____ Age: _____

Occupation: _____ PH.No: _____

1. Do you know about any convenience store i.e. Reliance fresh & Subhiksha?

_____ Yes _____ No _____ don't know

2. Have you purchased any product from any convenience stores?

_____ Yes _____ No

3. What attributes did attract you to purchase product from convenience stores? Please Rank these attributes.

_____ Price _____ Schemes _____ Quality _____ Easy Availability

_____ Shop Display.

4. Does Loyalty Program influence the purchasing decision?

_____ Strongly Agree _____ Agree _____ Natural

_____ Disagree _____ Strongly Disagree

5. Does Price influence on customer purchase decision in convenience store?

_____ Strongly Agree _____ Agree _____ Natural

_____ Disagree _____ Strongly Disagree

6. Do you think that membership cards create loyalty among the customers?

_____ Strongly Agree _____ Agree _____ Natural

_____ Disagree _____ Strongly Disagree

7. Does Quality effect on customer purchase decision in convenience store?

_____ Strongly Agree _____ Agree _____ Natural

_____ Disagree _____ Strongly Disagree

8. Does the Discount schemes attract to the customers in convenience stores?

_____ Strongly Agree _____ Agree _____ Natural

_____ Disagree _____ Strongly Disagree

9. Does the Home delivery attract to the customers for purchase in convenience stores?

_____ Strongly Agree _____ Agree _____ Natural

_____ Disagree _____ Strongly Disagree

10. Does the Advertisement influence on customer purchase decision?

_____ Strongly Agree _____ Agree _____ Natural

_____ Disagree _____ Strongly Disagree

11. Does the Shop display attract to the customers for purchase in convenience stores?

_____ Strongly Agree _____ Agree _____ Natural

_____ Disagree _____ Strongly Disagree

12. Influence of family members on purchase decision in convenience stores?

_____ Strongly Agree _____ Agree _____ Natural

_____ Disagree _____ Strongly Disagree

13. Influence of Peer group on purchase decision in convenience stores?

_____ Strongly Agree _____ Agree _____ Natural

_____ Disagree _____ Strongly Disagree

14. Are you regular customer of any convenience stores?

_____ Yes

_____ No

15. Which loyalty program influence to the customers for purchasing in convenience stores?

_____ Membership card _____ Discount schemes _____ Home Delivery

_____ Purchase offers _____ Customer feedback

16. Will you like to switch your convenience store preference if you get some promotional scheme with another brand in another market?

_____ Yes

_____ No

17. Your final remarks and suggestions to the convenience stores.
