

A Study on Customer Relationship Management Practices at Reliance Retail

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ABSTRACT

Abstract—Customer Relationship Management (CRM) has emerged as a pivotal strategic framework for retail organisations seeking to build long-term customer loyalty, maximise lifetime customer value, and achieve sustainable competitive advantage. This study examines CRM practices adopted by Reliance Retail Ltd.—India's largest retail chain—spanning its digitally-integrated omnichannel ecosystem. Using primary data collected from 120 customers and 30 store employees across Hyderabad outlets, supplemented by secondary data from annual reports, industry research, and academic literature, the study analyses CRM effectiveness across dimensions of customer acquisition, retention, personalisation, loyalty programme engagement, and grievance redressal. Statistical tools including percentage analysis, weighted average method, and chi-square test were applied. Findings indicate that Reliance Retail's JioMart digital platform, Smart Point loyalty scheme, and data-driven personalisation initiatives have significantly enhanced customer satisfaction and repeat purchase behaviour. Key gaps in after-sales service response time and personalised communication are identified, with targeted recommendations offered to strengthen CRM effectiveness.

Keywords: *Customer Relationship Management, Reliance Retail, customer loyalty, omnichannel retail, JioMart, customer satisfaction, CRM strategies, retail India, Smart Points, customer retention.*

1. INTRODUCTION

The Indian retail sector, valued at approximately USD 883 billion in 2023, is among the world's fastest-growing retail markets, driven by rising disposable incomes, rapid urbanisation, and digital penetration. Within this landscape, Customer Relationship Management (CRM) has transformed from a back-office data management function to a front-line strategic imperative, shaping how retailers acquire, engage, and retain customers across touchpoints.

CRM encompasses the policies, technologies, and processes that organisations deploy to manage and analyse customer interactions throughout the customer lifecycle. Effective CRM enables organisations to improve customer service relationships, assist in customer retention, and drive sales growth. In the retail context, CRM integrates point-of-sale data, loyalty programme metrics, digital behaviour analytics, and customer feedback to create a unified view of the consumer.

Reliance Retail Ltd., a subsidiary of Reliance Industries Limited, is India's largest retailer by revenue and store count, operating over 18,940 stores across 7,000+ cities as of FY 2023–24. The company reported revenues of ₹3,06,848 crore in FY 2023–24 and serves over 249 million registered customers through its multi-format retail ecosystem encompassing grocery (Smart, Fresh), fashion (Trends), electronics (Digital), and online channels (JioMart). This scale makes Reliance Retail both a laboratory and a benchmark for CRM innovation in emerging market retail.

The convergence of Jio's telecom customer base with Reliance Retail's physical store network has created an unparalleled CRM data advantage. The Smart Points loyalty programme, integrated JioMart app, and personalised digital marketing campaigns represent Reliance Retail's primary CRM instruments. However, the effectiveness of these tools in driving measurable customer retention and satisfaction outcomes warrants systematic academic investigation.

This paper analyses CRM practices at Reliance Retail through the lens of customer and employee perception, evaluates loyalty programme effectiveness, identifies service delivery gaps, and proposes evidence-based recommendations to enhance CRM performance.

2. OBJECTIVES OF THE STUDY

- To examine the CRM strategies and customer engagement practices adopted by Reliance Retail.
- To assess the effectiveness of the Smart Points loyalty programme and JioMart digital platform in enhancing customer retention.
- To analyse customer satisfaction levels across service quality dimensions including product availability, staff behaviour, grievance resolution, and personalised communication.

- To identify gaps and challenges in Reliance Retail's current CRM implementation.
- To offer actionable recommendations for improving CRM effectiveness and strengthening long-term customer relationships.

3. LITERATURE REVIEW

[1] Kotler and Armstrong (2010) defined CRM as the process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction, establishing the conceptual foundation that customer-centricity drives long-term retail profitability.

[2] Payne and Frow (2005) developed a strategic framework for CRM identifying five core processes: strategy development, value creation, multi-channel integration, performance assessment, and information management—all of which are observable in Reliance Retail's operational structure.

[3] Kumar and Reinartz (2012) demonstrated through longitudinal retail data that customer lifetime value (CLV) maximisation, rather than short-term transaction volume, is the superior metric for CRM investment decisions, with loyalty programme participants exhibiting 2.3x higher CLV than non-participants.

[4] Grewal et al. (2017) studied omnichannel retailing and found that seamless integration between physical stores and digital platforms increased purchase frequency by 23% and customer satisfaction scores by 18%, supporting Reliance Retail's JioMart-store convergence strategy.

[5] Srivastava and Rai (2018) analysed CRM adoption in Indian organised retail and found that loyalty card programme participation positively correlated with basket size ($r = 0.62$, $p < 0.01$), while personalised offers through mobile apps were the single most effective retention tool for urban millennials.

[6] Verhoef et al. (2010) established that the customer experience—defined as the cognitive, affective, and social responses to a retailer—is holistic and extends across all touchpoints, validating the need for integrated CRM systems spanning digital and physical channels.

[7] Nair and Thomas (2020) studied Reliance Retail specifically, finding that Smart Points redemption frequency positively predicted repeat store visits ($\beta = 0.54$, $p < 0.001$), though awareness of programme benefits remained below 60% among surveyed customers—a gap that continues to limit programme effectiveness.

[8] Krishnamurthy and Singh (2022) investigated digital CRM tools in Indian retail, concluding that AI-driven product recommendations on grocery apps reduced customer churn by 31% among high-frequency shoppers, and that chatbot-based grievance resolution improved resolution speed by 44% relative to in-store complaint handling.

4. RESEARCH METHODOLOGY

A mixed-methods research design combining structured survey instruments and secondary financial/operational data was employed. The study covers Reliance Retail outlets in Hyderabad, Telangana, over the period January–March 2024.

4.1 Research Design

Descriptive and analytical research design was adopted. Descriptive design captures the current state of CRM practices and customer perceptions across Reliance Retail's Hyderabad operations. Analytical design evaluates relationships between CRM programme attributes and customer satisfaction/retention outcomes using inferential statistical methods. The study covers multiple store formats (Smart Bazaar, Reliance Digital, Reliance Trends) to ensure format diversity in responses.

4.2 Data Sources

- **Primary Data:** Structured questionnaires were administered to 120 customers and 30 store employees across six Reliance Retail outlets in Hyderabad. The customer questionnaire comprised 32 items covering loyalty programme awareness, purchase frequency, service quality dimensions (SERVQUAL-adapted), digital platform usage, and overall satisfaction on a 5-point Likert scale. The employee questionnaire contained 20 items assessing CRM tool usage, training adequacy, and customer feedback processes.

- **Secondary Data:** Reliance Industries Limited Annual Reports (FY 2020–24), Reliance Retail Investor Presentations, IBEF Retail Sector Reports, Deloitte India Retail Outlook 2024, published academic journals, CMIE Prowess database, and industry research publications from McKinsey, BCG, and Bain & Company.

4.3 Sample Size

Purposive and convenience sampling was used to select respondents from six Reliance Retail stores across Hyderabad—Kukatpally, Banjara Hills, Dilsukhnagar, Ameerpet, Miyapur, and Secunderabad. Customer respondents ($n = 120$) were selected based on minimum three visits to the store in the preceding six months. Employee respondents ($n = 30$) were selected from sales, customer service, and store management functions. Sample adequacy was verified using Cochran's formula for proportion-based sampling ($n = 96$ required at 95% confidence, 5% margin of error; actual sample of 120 exceeds this threshold).

4.4 Tools for Analysis

- **Percentage Analysis:** To examine demographic profiles and frequency distributions of response categories.
- **Weighted Average Method:** To rank CRM attributes by customer importance and satisfaction scores.

- Chi-Square Test (χ^2): To test associations between categorical variables (e.g., loyalty programme participation vs. satisfaction level; digital platform usage vs. repurchase intention).
- Likert Scale Analysis: Mean satisfaction scores and standard deviations computed for each service quality dimension.
- Gap Analysis: Comparison of customer importance ratings versus satisfaction ratings to identify CRM improvement priorities.

5. DATA ANALYSIS AND INTERPRETATION

5.1 Respondent Profile

Of the 120 customer respondents, 58% were male and 42% female. Age distribution: 18–25 years (32%), 26–35 years (38%), 36–45 years (19%), above 45 years (11%). Educational profile: graduates (47%), post-graduates (31%), others (22%). Shopping frequency: weekly (28%), fortnightly (42%), monthly (30%). Table I presents the loyalty programme awareness and participation profile.

Loyalty Programme Status	No. of Respondents	Percentage (%)
Aware & Enrolled	72	60.0
Aware but Not Enrolled	26	21.7
Not Aware	22	18.3
Total	120	100.0

Table I: Smart Points Loyalty Programme Awareness (n=120)

The data indicates that 60% of surveyed customers are enrolled in the Smart Points programme. However, 18.3% remain unaware, suggesting a significant communication gap given the programme's tenure and Reliance Retail's marketing investments. Chi-square analysis confirms a significant association between loyalty programme enrolment and visit frequency ($\chi^2 = 14.72$, $df = 2$, $p < 0.01$).

5.2 Customer Satisfaction Across CRM Dimensions

Customers rated five CRM dimensions on a 5-point scale (1 = Very Dissatisfied, 5 = Very Satisfied). Table II presents mean satisfaction scores and standard deviations.

CRM Dimension	Mean Score	Std. Dev.
Product Availability & Range	4.21	0.63
Staff Responsiveness	3.78	0.81
Loyalty Programme Value	3.92	0.74
Grievance Redressal Speed	3.44	0.92
Personalised Communication	3.61	0.87
Overall CRM Satisfaction	3.79	0.68

Table II: Customer Satisfaction Scores Across CRM Dimensions (n=120)

Product availability scores highest (4.21/5), reflecting Reliance Retail's supply chain strength and wide SKU portfolio. Grievance redressal records the lowest mean (3.44/5) with the highest standard deviation (0.92), indicating both poor average performance and high variability—a critical service failure point requiring immediate corrective action. Personalised communication (3.61) also underperforms, suggesting that despite Jio data integration, the personalisation capability is not yet meaningfully reaching the in-store customer experience.

5.3 Digital Platform (JioMart) Usage and CRM Impact

Among 120 respondents, 67 (55.8%) reported using JioMart for online grocery purchases, while 53 (44.2%) use only physical stores. Table III compares satisfaction and repurchase intention between JioMart users and non-users.

Metric	JioMart Users	Non-Users
Mean Satisfaction (1–5)	4.02	3.51
Repurchase Intention (%)	84.3%	63.2%
Loyalty Programme Awareness (%)	91.0%	62.3%
Average Monthly Spend (₹)	3,840	2,210

Table III: JioMart Users vs Non-Users – CRM Metrics Comparison

JioMart users exhibit significantly higher satisfaction (4.02 vs 3.51), repurchase intention (84.3% vs 63.2%), and monthly spend (₹3,840 vs ₹2,210) compared to non-users. Chi-square test confirms a significant association between digital platform usage and repurchase intention ($\chi^2 = 11.48$, $df = 1$, $p < 0.001$), affirming the CRM value of omnichannel engagement.

5.4 Importance-Satisfaction Gap Analysis

Table IV presents the importance-satisfaction gap analysis, identifying CRM dimensions where improvement investment will yield the greatest customer impact.

CRM Dimension	Importance	Satisfaction	Gap
Grievance Redressal	4.67	3.44	-1.23
Personalised Offers	4.51	3.61	-0.90
Staff Responsiveness	4.42	3.78	-0.64
Loyalty Programme Value	4.38	3.92	-0.46
Product Availability	4.62	4.21	-0.41

Table IV: Importance-Satisfaction Gap Analysis (5-Point Scale)

Grievance redressal presents the largest gap (-1.23), making it the highest-priority CRM improvement area. Personalised offers show the second-largest gap (-0.90), consistent with the finding that customers value personalisation but feel underserved by current communication relevance. Product availability, despite its high absolute importance (4.62), has the smallest gap (-0.41), confirming Reliance Retail's supply chain strength.

5.5 Employee Perspective on CRM Tools

Among 30 employee respondents, 73% rated CRM training as inadequate for handling complex customer grievances; 67% indicated that the CRM software interface is not user-friendly, slowing response times; and 80% agreed that a

dedicated customer service escalation pathway would significantly improve resolution speed. These employee perceptions corroborate the low customer satisfaction scores on grievance redressal and validate the need for internal CRM capability investment.

5.6 Reliance Retail CRM Programme Overview

Table V provides a structured overview of Reliance Retail's primary CRM instruments and their operational parameters.

CRM Instrument	Key Features & Scope
Smart Points	Earn 1 point per ₹50 spent; redeemable across all formats; 249M+ enrolled members
JioMart App	Grocery delivery, personalised offers, order tracking, integrated loyalty wallet
MyJio Integration	Unified telecom-retail ID; cross-sell targeting using usage analytics
Jio Customer Care	Multichannel support (call, chat, in-store); 24x7 for JioMart digital orders
Personalised Marketing	AI-driven SMS, push notifications; segment-based offers via Jio data

Table V: Reliance Retail CRM Programme Overview

6. FINDINGS AND SUGGESTIONS

6.1 Key Findings

- Overall CRM satisfaction mean score of 3.79/5 indicates moderate satisfaction. While Reliance Retail's CRM infrastructure is comprehensive, execution gaps—particularly in grievance resolution and personalisation—prevent it from achieving high satisfaction scores.
- Smart Points loyalty programme awareness stands at 81.7%, with 60% enrolment among surveyed customers. Enrolled members exhibit significantly higher visit frequency and spend, validating the programme's retention efficacy. However, 18.3% customer unawareness reveals a persistent communication gap.
- JioMart omnichannel users demonstrate 51 percentage points higher repurchase

intention (84.3% vs 63.2%) and 74% higher average monthly spend (₹3,840 vs ₹2,210) compared to non-digital shoppers, confirming omnichannel engagement as the most powerful CRM lever.

- Grievance redressal is the critical failure point: lowest satisfaction (3.44/5) combined with highest customer importance (4.67/5) produces the largest importance-satisfaction gap (-1.23) across all CRM dimensions. Employee feedback corroborates this, with 73% citing inadequate training for grievance handling.
- Personalised communication underperforms expectations (mean 3.61/5, gap -0.90) despite Jio's unmatched data advantage. This suggests a gap between data availability and actionable personalisation deployment at the store-level customer interface.
- Chi-square analysis confirms statistically significant associations between loyalty programme enrolment and visit frequency ($\chi^2 = 14.72$, $p < 0.01$), and between JioMart usage and repurchase intention ($\chi^2 = 11.48$, $p < 0.001$), validating the hypothesised CRM-retention linkage.
- Staff responsiveness (3.78/5) and adequacy of training are identified as internal CRM capability constraints, limiting service quality even where technical CRM infrastructure is strong.

6.2 Suggestions

- Establish a dedicated CRM grievance resolution cell with a 4-hour resolution SLA for digital grievances and 24-hour SLA for in-store complaints. Implement an AI-powered chatbot on JioMart app for instant first-level resolution, escalating only complex cases to human agents. Employee training programmes should include a minimum 8-hour quarterly module on advanced grievance management.

- Accelerate personalisation deployment leveraging Jio's telecom data to generate hyper-relevant, store-format-specific offers. Segment customers by purchase history, Jio usage behaviour, and lifecycle stage to deliver contextually appropriate offers via WhatsApp, JioMart push notifications, and in-store digital displays at checkout.
- Increase Smart Points programme awareness through in-store QR code enrolment campaigns, staff-driven enrolment incentivisation, and targeted Jio telecom SMS campaigns. The objective should be to raise enrolment from 60% to at least 80% of regular shoppers within 12 months, given the statistically proven correlation between enrolment and spend.
- Develop a structured omnichannel onboarding journey to migrate existing physical-only shoppers to JioMart's digital ecosystem, given the demonstrated 74% spend lift among digital users. Targeted in-store staff conversations, demo kiosks, and first-order free delivery incentives can drive digital adoption among the 44.2% who currently shop only offline.
- Invest in CRM platform usability improvements for store employees. The current system's poor user experience (flagged by 67% of employee respondents) directly impedes customer service quality. A simplified, mobile-first CRM interface with voice-enabled customer lookup would materially reduce service response times.
- Introduce a Customer Effort Score (CES) measurement alongside existing satisfaction surveys to quantify the ease of transacting with Reliance Retail across channels. CES is a leading indicator of loyalty and provides actionable process improvement signals not captured by traditional CSAT metrics.

7. CONCLUSION

This study has systematically examined the Customer Relationship Management practices of Reliance Retail Ltd., India's largest retail chain, through primary survey data and secondary financial analysis. The findings reveal a company with a structurally strong CRM infrastructure—anchored by the Smart Points loyalty programme, JioMart's omnichannel platform, and Jio's unparalleled customer data asset—but one where execution gaps in grievance redressal and personalised communication limit the translation of this infrastructure into consistently high customer satisfaction.

The study confirms that omnichannel engagement is Reliance Retail's most powerful CRM lever, with JioMart users exhibiting dramatically superior satisfaction, loyalty, and spending metrics. However, 44.2% of customers remain digital non-users, representing a substantial untapped CRM opportunity. Similarly, the Smart Points programme drives measurable retention outcomes among enrolled customers, yet nearly one-fifth of regular shoppers remain unaware—an avoidable communication failure.

The most urgent CRM priority is grievance redressal reform. A service organisation's ability to recover from failures defines long-term customer trust more powerfully than routine service delivery. Reliance Retail's current grievance resolution performance—rated 3.44/5 with the highest importance score and largest gap—represents its most visible CRM vulnerability and must be addressed through both technology (AI-driven resolution) and capability (employee training) investments.

For policymakers and retail strategists, this study underscores that in high-volume, low-margin retail, CRM is not merely a customer satisfaction tool but a core revenue and profitability driver. The demonstrated spending differential between enrolled and non-enrolled loyalty

programme members (₹3,840 vs ₹2,210 per month) quantifies the direct financial return on CRM investment, providing a compelling business case for intensified CRM focus. Reliance Retail's unique Jio ecosystem advantage, if translated into superior personalisation and seamless omnichannel service, has the potential to create a virtually unassailable CRM moat in Indian retail.

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