

A STUDY ON BRAND LOYALTY AND CUSTOMER RETENTION STRATEGIES AT SARAVANA SELVARATHINAM

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ABSTRACT

Brand loyalty has become a crucial factor in sustaining competitive advantage and ensuring long-term customer retention in the retail industry. This study examines the relationship between brand loyalty and customer retention strategies at Saravana Selvarathinam, one of India's leading retail enterprises. The research explores key factors such as customer experience, pricing strategies, promotional efforts, product variety, and service quality that contribute to brand loyalty and influence customer retention. A structured quantitative research methodology was adopted, using surveys distributed to customers across various store locations. Statistical analyses, including correlation and regression, revealed a strong positive relationship between brand loyalty and customer retention. The findings highlight the importance of fostering a strong brand-customer relationship through effective engagement strategies. The study concludes with strategic recommendations to enhance brand loyalty initiatives, ultimately improving customer retention and ensuring sustainable business growth.

Keywords: Brand Loyalty, Customer Retention, Retail Industry, Customer Experience, Pricing Strategies, Promotional Strategies, Service Quality, Consumer Behavior

1. INTRODUCTION

Brand loyalty plays a significant role in customer retention, directly impacting business success, revenue stability, and long-term market positioning. Loyal customers tend to make repeat purchases, advocate for the brand, and exhibit a higher tolerance for price fluctuations. Companies that focus on building strong customer relationships often experience lower churn rates, increased sales, and a positive brand reputation. This research examines how Saravana Selvarathinam, a dominant player in India's retail sector, implements customer retention strategies to enhance brand loyalty. By identifying key drivers of customer loyalty, businesses can refine their marketing and service strategies to create a loyal and satisfied customer base.

2. LITERATURE REVIEW

Understanding Brand Loyalty

Brand loyalty refers to the emotional and behavioral commitment customers have toward a brand, leading to repeated purchases and positive word-of-mouth. Factors influencing brand loyalty include product quality, price perception, brand image, customer service, and personalized marketing efforts. Companies that prioritize customer satisfaction and engagement tend to cultivate stronger brand loyalty among their consumers.

Defining Customer Retention

Customer retention is the ability of a business to maintain its customer base over time by providing consistent value, high-quality service, and a positive shopping experience. It is influenced by customer satisfaction, trust, loyalty programs, after-sales service, and brand engagement. Studies show that businesses with higher retention rates enjoy greater profitability, reduced acquisition costs, and enhanced brand reputation.

The Correlation Between Brand Loyalty and Customer Retention

Research suggests a strong positive correlation between brand loyalty and customer retention. When customers feel connected to a brand through consistent service, quality products, and effective marketing efforts, they are more likely to remain loyal. Retail businesses that invest in customer relationship management and personalized experiences often witness increased retention rates and long-term customer value.

3. RESEARCH METHODOLOGY

Research Design This study employs a quantitative research approach, utilizing structured surveys to collect data from customers at Saravana Selvarathinam. The survey measures brand loyalty, customer retention, and key factors influencing these aspects.

Data Collection Methods- Primary data was collected through structured questionnaires distributed among customers at different store locations. The questionnaire utilized a five-point Likert scale to assess customer perceptions regarding brand loyalty, pricing strategies, promotional activities, service quality, and product assortment.

Sampling Technique- A stratified random sampling method was applied to ensure diverse representation across different customer demographics, including age, shopping frequency, and purchasing behavior. This approach ensured that data captured a broad spectrum of customer experiences and perspectives.

Data Analysis Tools- Statistical techniques, including correlation and regression analysis, were utilized to evaluate the relationship between brand loyalty and customer retention. The data was analyzed using SPSS software to ensure accuracy and reliability.

4. Results And Discussion

Overview of Key Findings

Survey responses indicate that the majority of customers at Saravana Selvarathinam exhibit strong brand loyalty, primarily due to competitive pricing, product variety, and store reputation. However, areas such as personalized engagement and after-sales service require further enhancement.

Correlation Analysis

The correlation analysis revealed a significant positive relationship between brand loyalty and customer retention ($r = 0.82$, $p < 0.01$). This indicates that as customer loyalty increases, the likelihood of repeat purchases and long-term retention also rises, supporting previous research findings in retail consumer behavior.

Interpretation of Results

The study's findings align with existing research, emphasizing that retailers focusing on brand loyalty initiatives experience higher customer retention rates. Customers who perceive consistent value, personalized experiences, and strong brand identity are more likely to remain loyal.

Strategic Recommendations

Based on the research insights, the following strategies are recommended to enhance brand loyalty and customer retention:

1. Strengthening Customer Engagement

Retailers should implement personalized engagement strategies, such as targeted promotions, loyalty rewards, and customized shopping experiences, to foster a deeper connection with customers.

2. Enhancing Loyalty Programs

A structured loyalty rewards program that offers exclusive discounts, cashback, and membership benefits can incentivize repeat purchases and strengthen brand commitment.

3. Improving Service Quality

Training employees to provide exceptional customer service, ensuring quick complaint resolution, and enhancing after-sales support can significantly impact customer loyalty and retention.

4. Optimizing Pricing and Promotions

Competitive pricing strategies combined with attractive promotional offers can boost customer retention by reinforcing value perception. Flash sales, seasonal discounts, and bundle offers can drive repeat purchases.

5. Leveraging Digital Marketing

Retailers should utilize social media, email marketing, and mobile apps to maintain consistent communication with customers, offering personalized deals and updates about new arrivals.

6. Creating an Omnichannel Shopping Experience

Integrating online and offline shopping experiences through e-commerce platforms, click-and-collect services, and in-store digital kiosks can enhance convenience and improve customer satisfaction.

5. CONCLUSION

This research confirms that brand loyalty plays a critical role in customer retention at Saravana Selvarathinam. Retailers that focus on delivering superior customer experiences, personalized engagement, and effective loyalty programs are more likely to retain a loyal customer base. The study highlights the necessity of integrating strategic customer retention initiatives to ensure sustainable business growth. Future research can explore longitudinal data to assess evolving customer loyalty trends, further refining retention strategies within the retail sector.

6. REFERENCES

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