

A COMPARATIVE STUDY ON RELIANCE DIGITAL AND CROMA LTD – AN EMPIRICAL STUDY

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Abstract

Customers' buying habits in India have changed dramatically as a result of the rapid expansion of retail marketing and the economy's greater use of the internet. Consumers are increasingly favouring online shopping over more conventional methods of purchasing due to simple access to internet services, ease of use, and the availability of a wide range of goods. E-retailers seek to examine consumer behaviour, preferences, and expectations with relation to online shopping while keeping in mind the fundamental purpose of providing products and services that meet customers' demands and survive competition. The positioning and presentation of the products in the shop have an impact on the buyer's buying selections in today's networked society. These days, the retail market is more feasible for the sorts of furniture and furnishings. Numerous new companies are entering this category's structured retail format. The two primary participants in organised retail of electronics are covered in the study, along with the services they offer. The largest industry in India is retail. After agriculture, the retail industry employs the second-highest number of people. In India, the retail industry is divided into two categories: organised and unorganised. The importance of studying services and innovation is rising as the service sector of the global economy expands. The sample size of the study was 193 respondents. The data analysis was performed with the help of t-test and mean.

Keywords: Reliance Digital, Croma Stores, Retail Stores in india, Consumer Behavior

Introduction

Manufacturer brands, sometimes referred to as national brands, predominated the environment in which we grew up. But with time, we saw changes in the retail environment. Products having their own labels were being carried by an increasing number of retail establishments. Private labels, in-house brands, or shop brands are names for certain goods that were produced or supplied by the stores themselves. Although certain brands also have been positioned as "premium brands" due to the strong reputation of the shop, private labels are frequently positioned as the alternative options to the regional, national, or worldwide names. Retailers may raise category profitability, their negotiating strength, and customer loyalty by using private brands. Two of India's top retail chains for electronics are Reliance Digital and Croma. Smartphones, computers, TVs, and other consumer gadgets and household appliances are available from both corporations. However, there are a few variations in their service levels, store atmosphere, and product offers. While Croma outlets have a more upscale vibe and provide a greater assortment of high-end items, Reliance Digital outlets are renowned for their reduced costs. Additionally, Croma has more physical locations—stores in several cities—than Reliance Digital, which has less. Both businesses include online buying alternatives, but Croma's website is more feature-rich and easy to navigate. Reliance Digital is known for providing timely and effective after-sales support, whereas Croma provides a larger range of services, such as product demos, installation, and repairs. Both businesses offer customer loyalty programmes, but Croma's is more comprehensive and offers a wider choice of advantages and discounts. Reliance Digital and Croma each have their own advantages, but ultimately, the decision will come down to personal tastes and requirements.

Banerjee. Et al. (2017) found that In respect of FDI investment in India, the retail sector is on the cusp of experiencing new retail formats. With a broader sample and varied groupings, these global players would be able to adopt the various buying behaviours in Rural and Urban populations Variables, such as income, age, technological, social, and cross-cultural consumer throughout India. The development of a customer profiling framework using the segment of the population and interpretations to study consumption pattern in determining retail format choice while keeping the perceived risk variables into consideration is extremely necessary because the research seeks on the different broad concepts of retail formats, making it very effective and necessary to investigate whether these formats are acceptable by the consumers markets.

Literature Review

Rastogi. (2013) examined that There is also room for research into the structured mall locations that must be put up, since customers view placement as the most crucial aspect of choosing a retail store. This suggests that the kind of product customers choose will define the kind of store they want. In order to determine whether consumers from lower socioeconomic groups—those with less money, less housing, less education, and those who live in towns and villages—are open to accepting different retail formats and channels in India, it is important to examine their behaviour in the context of various consumer perceptions and attitudes. The performance of various retail companies would improve if a coexistence model is proposed for both

organised and unorganised types of retail formats in India. The Technologies Acceptance Model (TAM) may be used to analyse customer behaviour in order to understand how channel selection for retail has changed as a result of technological advancement.

Agarwal et al., (2022) revealed that The trade operations carried out by authorised merchants who have enrolled for income tax and sales tax are referred to as organised retailing. Simply said, these are franchise or owned by a single company modern retail (chain shops). There are a lot of potential in the retail sector because just 8% of organised retail is now located in India. In order to get a larger proportion of the market, local companies must simultaneously increase the quality of their services while international competitors must identify the markets where they may be most lucrative and tailor their policies and tactics to those markets.

(Thomas et al., 2022) explained that Reliance Digital and Croma, two of India's top electronics retailers, are contrasted in this comparative research. To decide which shop is best for customers, the research examines a number of variables, including product selection, customer support, price, and after-sales service. According to the survey, Croma concentrates in high-end gadgets whereas Reliance Digital offers a larger selection of items, including home appliances, computers, and mobile phones. Both businesses have skilled employees that provide excellent customer service, but Reliance Digital's system is more streamlined and effective. Reliance Digital is reported to have more competitive pricing than Croma and frequently offers discounts and promotions. Reliance Digital offers a larger network of service facilities for after-sales support, making it simpler for clients to acquire repairs and maintenance (Dingee, 2020).

Pai & Mavya. (2021) found that Due to the entry of a few new firms, the Indian retail sector has emerged as one of the most strong and fast-paced industries. It accounts for more than ten cents of the country's Gross Domestic Products (GDP) and about eight cents of the economy. India is the fifth-largest global retail market, according to research. "Ideal socioeconomics, expanding urbanisation, nuclearization of families, rising wealth among consumers, developing predisposition for marked items, and higher desires are different factors which will drive retail the use in India.

Easton-Calabria, (2022) revealed that The four divisions of the digital format are productivity, entertainment, home appliances, and enhancement. Out of all of them, productivity (laptops and mobile phones) accounts for 75% of sales in stores. Reliance furthermore provides resQ. The after-sales service department of Reliance Digital, Digital Xpress, and Digital Xpress micro shops is called resQ. The first 24/7/365 multi-product, multi-brand, multi-location service facility in India is called resQ.

Customer satisfaction surveys are now often used to provide workers and organisations with performance feedback. The major determinant for businesses this time around in making strategic decisions and determining employee remuneration, according to researchers, was consumer happiness. The majority of the time, it was found that people's behaviour and performance—which are always impacted by gender—have the most impact on customers' pleasure.

Hekman. (2010) revealed that Over 10% of the GDP and over 8% of all jobs in India are generated by the retail sector, making it among the most rapidly evolving and dynamic industries. As more competitors entered the market, it developed into one of the most

successful and quick-moving industries. The retail industry in the Indian economy is going through a significant change. The retail industry in India is split between organised retail versus unorganised commerce, with the latter making up the majority of the market. Currently, organised retail is swiftly catching up. The lives of Indian customers are strongly impacted by modifications to the retail sector's model. The enormous increase in consumer spending has already created a lucrative lull in the Indian economic growth retail sector.

Modern infrastructural facilities are available at all Reliance Digital locations. By considering client attractiveness to the product and emphasising its advantages, it offers top-notch infrastructure facilities. The Puttur Reliance Digital shop has a conspicuous parking space, a water fountain, and a customer baggage desk. The store has three floors, and the merchandise is arranged on each level for the convenience of the customer for easy access and by keeping in mind the technique used to provide the visual merchandising tool.

Grewal. (2009) Over 200 national and global brands are available from Reliance Digital. They have been selling a wide range of goods, including digital cameras, music and video products, durables like washing machines, air conditioners, and refrigerators, video games, laptops, tablets, and peripherals, mobile devices, computers, microwaves, water purifiers, kitchen and domestic appliances, fixed-line instruments, as well as a variety of accessories and cutting-edge technology. Reliance Digital offers its consumers enjoyable shopping experiences by enabling them to get brand-new, cutting-edge home and technology products at unbeatable costs. Retail giant Reliance The business strives to offer greater value for the money. "The organisation places a strong emphasis on purchasing just those goods that exhibit exceptional safety and durability, such as goods that are regulated by quality standards like ISI, FPO, CE Mark, and RU marks". Additionally, Reliance Digital has been providing a uniform assortment of branded and private label designer products. The sector will concentrate on attracting the nation's middle-class customers. The business offers customers services that are reasonably priced. Reliance concentrates on providing consumers with high-quality goods that are both reasonably priced and have a reliable supply chain. Customer recommendations were always appreciated, and Reliance Digital made an effort to take their advice to heart and put it into practise.

Kumar & Barani. (2012) examined that The first national big format specialty retail chain for consumer technology and durables in India is called Croma. Infiniti Retail Limited promotes the Croma name as a brand. The Tata Group's parent business, Tata Sons, wholly owns Infinity Retail Limited. Infiniti Retail Ltd. owns and operates Croma's retail businesses in India, and Woolworths, a significant Australian retailer, provides technical support and global procurement resources through its broad global network. In December 2008, Croma introduced private brands with the intention of having them contribute 20% of sales. However, up until August 2010, Croma was only allowed to profit 5% from its private brands. Therefore, it is now crucial for Croma to pinpoint the variables that are impeding the attainment of its goal. Thus, the study aims to pinpoint certain criteria that consumers use to evaluate brands and make final purchasing decisions. With the use of such metrics, the research attempts to pinpoint elements that, when improved, might boost the sales of private label brands.

Parikh. (2006) studied and found that As Indian retailing develops, the service quality of Indian retail outlets must significantly improve in order to effectively compete in the global market.

Knowing how customers evaluate quality of service and how it might be assessed and improved is therefore essential. The study shows that the degree of customers' satisfaction is influenced by a variety of considerations with a variety of customers, and that even some of the crucial factors, like interpersonal interactions and physical features, are measurements on the customer perception that, for the vast majority of customers, remain constant and widespread to each and every customer. As a result, retail establishments should frame their strategies accordingly.

Objectives

1. To know different services provided by Reliance Digital and Croma Ltd.
2. To know the preferences of customers between Reliance Digital and Croma Ltd.

Methodology

Nature of study is empirical. 193 participants were included in study. Questionnaire was structured in nature to collect data. To ascertain result of Mean and t-test applied. Method of sampling was convenience sampling.

Demographic Result

Table 1 displays gender of participants, male are 61.66%, and female are 38.34%. Age of participants is, 26 to 30 years are 37.82%, 30 to 34 years are 30.57%, and Above 34 years are 31.61%. With regards to Income level, low income group is 38.86%, middle income group is 35.57%, and higher income group is 25.39%. Looking at product type, Television / Refrigerators is 22.28%, Music Systems / Speakers is 20.21%, Mobile Phones is 30.05%, and others is 27.46%.

Table1. Demographic Details of participants

Variable	No. of participants	%
Gender		
Males	119	61.66%
Females	74	38.34%
Total	193	100 %
Age		
26 - 30 years	73	37.82%
30 – 34 years	59	30.57%
Above 34 years	61	31.61%
Total	193	100 %

Income Level		
Low Level	75	38.86%
Middle Level	69	35.75%
Higher Level	49	25.39%
Total	193	100 %
Product Type		
Television / Refrigerators	43	22.28%
Music Systems / Speakers	39	20.21%
Mobile Phones	58	30.05%
Others	53	27.46%
Total	193	100 %

Table2. Preferences and difference of services/features between Reliance Digital & Croma Ltd.

Sr. No.	Statement of Survey	Mean Values	T-Values	Significance.
1.	Modern Infrastructural facilities are offered by Reliance Digital stores	4.12	15.833	0.000
2.	Croma Ltd. offers frequent discounts and offers to attract customers	4.29	18.352	0.000
3.	Reliance Digital is found to be having competitive prices in market as compared to Croma Ltd.	4.22	17.632	0.000
4.	Croma Ltd offers high end digital products	4.03	14.586	0.000
5.	Reliance Digital offers large variety of products to choose from that includes home appliances, mobile phones and computers	4.10	15.833	0.000

6.	Croma offers large range of services like demo of products, installation of products, repairs, etc.	3.12	1.698	0.046
7.	Reliance Digital known to be providing timely and effective after sale services and support	4.00	14.285	0.000
8.	Croma is known to be having more physical retail outlets in several cities as compared to Reliance digital	4.19	17.074	0.000
9.	Reliance is known to be providing high quality products to customers and have reliable supply chain	3.13	1.843	0.033
10.	Reliance provide large network of service facilities to customers	4.31	18.895	0.000

Table 2 shows mean values of the “Preferences and difference of services/features between Reliance Digital & Croma Ltd.” the first statements of T-test is Modern Infrastructural facilities are offered by Reliance Digital stores (mean 4.12), next statement is about discounts and offers, Croma Ltd. offers frequent discounts and offers to attract customers (mean 4.29), Reliance Digital is found to be having competitive prices in market as compared to Croma Ltd. (mean 4.22), Croma Ltd offers high end digital products (mean 4.03), Reliance Digital offers large variety of products to choose from that includes home appliances, mobile phones and computers (mean 4.10), Croma offers large range of services like demo of products, installation of products, repairs, etc. (mean 3.12), next statement about customer services, Reliance Digital known to be providing timely and effective after sale services and support (mean 4.00). Croma is known to be having more physical retail outlets in several cities as compared to Reliance digital (mean 4.19), Reliance is known to be providing high quality products to customers and have reliable supply chain (mean 3.13), Reliance provide large network of service facilities to customers (mean 4.31). T-value of survey statements with regards to Preferences and difference of services/features between Reliance Digital & Croma Ltd. are significant as t-value of statement is positively significant as the value is less than 0.05.

Conclusion

Because of demographic and emotional and social factors like education, religious belief, the type of purchase, the type of goods they use, and their daily needs, Indian consumers are more likely to choose the unorganised retail format when it relates to technology in terms of the touchpoints they choose to buy from and sell through. In addition to the traditional store, the Indian customer experience today includes a range of touch points, including internet stores, social networks, call centres, etc. Local players in India are now concentrating more on the

standards, preferences, and elements relating to the development and implementation of the system, which should have requirements like Trust, Confidentiality, data, and confidentiality of these data can be effectively preserved throughout the transfer of funds through online format. This is because the entry of FDI into the Indian markets has encouraged them to do so. Customers are not as knowledgeable about the Heavily reliant One loyalty programme. Therefore, "Rconnect" might be used to instruct store employees about this initiative so they can inform consumers. Customer interactions with store employees can have a significant impact on their whole shopping experience. To ensure that customers have a better shopping experience, the store should train its employees. Customers at TATA Croma rank dependability as the most significant dimension or element of service quality, while they rank responsiveness as the least essential. While dependability is the least favoured service feature by customers, according to their expectations from the shop, assurance is the major service component that customers are seeking for. As a consequence, there is a service gap between what customers perceive and what they really receive. T-value of every statement in the context of Preferences and difference of services/features between Reliance Digital & Croma Ltd. is significant because t-value statements are found to be positive and significance value also less than 0.05.

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