



DIGITAL MARKETING:A TOOL TO PROMOTEJEWELLERY RETAIL BUSINESS IN MADURAI CITY

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Abstract

The Indian Jewellery retail sector continues to be dominated by the Small and Medium size jewellers. There are over 2000 Jewellers in Madurai City, Tamilnadu. Most of them are family run and originated from traditional family businesses, there has been little emphasis on accounting, management control and digital marketing and these factors contributing to the lack of sustainability in such businesses. This research presents a study of digital marketing strategies adopted by the retailers in Madurai. Changes over the last five years have been considered and the primary data was gathered from 200 Jewellers across Madurai City. This study would be a valuable addition to researcher and academicians and useful for advertisers, Jewellery retailers and entrepreneurs. The study observed a decrease in overall business performance of the local jewellers for the past five years which appears to be linked to the awareness level among consumer, improvement in the local economy and the presence of Chain retailers with heavy promotional strategies. Large chain retailers were found to be growing faster than older businesses. Smaller businesses do not have the same access to the resources of larger businesses but can become more competitive through effective use of different Digital marketing strategies through Internet, mobile and social media marketing. The findings of this study also show that the main lack of capability is in the accounting, internet marketing and management area in the smaller businesses and an extensive training program through regional educational institutions will create awareness about the low cost Digital marketing.

Keywords: Digital Marketing, Social Media, e-mail Marketing, Mobile Marketing, Internet Marketing, Brand Promotion.

1. Introduction

For the past decade, retail businesses are witnessing the intensity of rapid changes in usage of information technologies (IT), for the Marketing purposes. The Internet serves the important role of attracting and retaining the customers and, in that way, managing the long-term customer relationships. Digital channels are producing significantly more data which can be used to profile customers, understand their needs, and target them in smaller segments with the appropriate offers. Mobile devices have led to greater use of digital media, changing consumers' behavior in profound ways. With access to the Internet at work, at home, and on the go, people are constantly connected and overwhelmed by a deluge of marketing messages and information. They're locating Jewellers, researching products, comparing prices and reviews, and making purchases online. Increasingly, they rely on the recommendations of friends and colleagues to inform their buying decisions. Today's consumers have more control. They're more powerful, influential, and discriminating than ever before. In this digital world, traditional marketing techniques are less effective than they once were. To get consumers to engage with the Business, Jewelers must develop high impact digital marketing campaigns that cut through the clutter.

According to the 2013 Inc. Digital Marketing Survey, more than half of Small and Medium sized businesses with 1 million or more in annual sales revenue already use some of the most popular digital marketing tools, and for the top three modalities website, social media, and email for marketing/promotion penetration is about 87 percent, 78 percent, and 70 percent, respectively. However, Small and Medium business still lag behind their larger counterparts when it comes to more sophisticated approaches to digital marketing, such as custom content creation, e-commerce solutions, paid online banner ads and search words, and mobile strategies. Best-in-class companies use digital media to achieve core business and marketing objectives, such as greater consumer awareness, better information to improve decision making, deeper consumer engagement, a higher rate of conversion and sales, and greater customer satisfaction and usage.

1.1 Evolution of Jewellery Retail Outlets in Madurai City

The Madurai Jewellery retail sector is one of the fastest growing sectors in Tamilnadu. The inherent attractiveness of the segment is luring more and more investors from both India and abroad, as is clearly indicated by the opening of a number of chain retail outlets by major corporate houses. There are over 2000 small and medium jewellery retail outlets (with reference to Madurai Jewellers & Bullion Merchants Association 2013 report) in Madurai district and most of them are family run.

Traditionally, people of Madurai district have always bought jewels for festivities, weddings and other special occasions through their trusted neighborhood or family jeweler in Madurai district. But in recent years, a trend seems to be evolving whereby increasing number of individuals is opting for jewels from large chain retailers in Madurai district which is driving the growth of Chain retailers and as a result the unhealthy competition also developed between the Jewellers in Madurai



district. The domestic as well as international retailers opened their branches in Madurai. Family Jewellers started facing tough competition from the chain retailers. Customer service and specifically relationship management, in particular, are crucial to attaining a sustainable competitive advantage in the marketplace. Without modifications and innovations in working style of small Retailers their existence will be at the stake.

Traditionally the art of making jewels has been passed through generation, Kaarigars having inherited expertise and skill from their ancestors, the art being handed down through the generations to generation. In 1940s, there were only 15 jewellery retail outlets in Madurai city which steadily increased to 200 outlets in 1960 and 500 outlets in 1980. During this period, art catalogue (modeling art with black and white printing) was used to select the ornaments. In 2000, there were 800 retailers; photos showing number of designs were used to get orders. During 1995-2000, jewel encyclopedia shows the design prevailing the market. In 2006, there are 1500 jewellery retailers. After 2000 there is a tremendous change in the Madurai Jewellery retail sector with the heavy competition. The chain retailers who established their presence in Madurai city are Bhima Jewelers, Jos Alukkas, Lalitha Jewellery, Thangamayil Jewellery, GRT Jewellers, Malabar Gold & Diamonds, Alukkas, Sri Balagopalan Jewellery Mart, Tanishq, Krithilals, joy alukkas, Kalayan Jewellers, ORRA, Jewel one etc.

2. Problem Definition

Today, Selling Jewels from jewellery retail outlet is incomplete without communicating its image. To build long term brand loyalty, in addition to the quality of the jewels, right image is very much needed. Current marketing and sales practice are undergoing unprecedented transformations that may be highly attributed to the adoption of new technology tools and marketing concepts, such as sales force automation tools, database marketing, relationship marketing, network marketing, and the Internet and Mobile Marketing. In the next 3 to 5 years, India will have 800 million Internet users. Internet economy will then become more meaningful in India. With the rapid expansion of internet, Ecommerce, is set to play a very important role in the 21st century, the new opportunities that will be thrown open, will be accessible to both large corporations and small companies [Waghmare (2012)]. Smaller businesses need to go beyond a single channel marketing strategy. The rapid growth of digital channels in the last ten years has been one of the strongest and most significant trends in the industry. Thus, although the Internet has been the favorable theme for numerous researchers and scholars during the last decade, there is still a lack of systematic empirical evidence regarding the role of the Digital marketing activities and performance of Jewellery retail outlets. This research addresses these issues. More specifically, investigate how the use of the Internet, social media and mobile service affects their marketing efforts and performance of the different jewelers in Madurai district.

3. Objective of the Study

- To investigate how the Jewellery Market in Madurai district has changed in the past decade.
- To identify business adaptation strategies used by Small and Medium size jewelers in the area of Digital Marketing.
- To assess what digital marketing strategies yield the most successful impact on business performance

4. Review of Literature and Hypothesis Development

Kesharwani and Tiwari (2011) studied the importance of website quality towards the success or failure of any e-vendor. Thus, it is high time that India should act fast and decisively in order to use the growing electronic trade to our advantage. Recently, mobile devices offer opportunities combining information search, use and exchange while shopping in store or experiencing a product. A mobile device is a constant companion to the consumer, a gateway to a relationship between the consumer and the retailer, making it an ideal supplementary channel for distance selling and physical retailing (Shankar, Venkatesh, Hofacker et al, 2010).

Social media communication which uses Whatsup, Facebook, Twitter and other forums are used extensively for brand creation, recognition and recall. Social media acts as a valuable source of information, available free of cost and at the same time creates new customers in the market even without the need of physical means of marketing the product. In regards to company perception, brand awareness and communication, the balance of power has shifted from the company to the consumer through the rebirth of word of mouth marketing (Datta, Chowdhury and Chakraborty, 2005) through new media formats (Ferguson, 2008).

The following hypothesis was formulated based on the review of literature.

- H1: Relationship between development of jewellery business and social media marketing.
H2: Relationship between Marketer's age and the time spent with the social Media.

5. Research Methodology

A quantitative approach was used in this research and the research is descriptive in nature.



5.1. Measurement and Scaling

The conceptualization and development of the questionnaire was based on the existing literature. A typical 5-point Likert scale was used in this research. The survey instrument was refined during a pilot study to ensure the internal consistency of the measured instrument, with the involvement of 30 respondents.

The questionnaire contained 43 items in total. The first part of the instrument contained five questions about demographics of the jewellery retail outlets such as, Year of establishment, gender education etc. The second part of the questionnaire contain four questions about characteristics of the customers & employee profile and third part of the questionnaire included 38 items, which contained information about turnover (2 items), digital marketing strategies (19 items) social media marketing (6 items), Internet marketing (2 items), mobile marketing (4 items), impact of large chain retailers (5 items).

The questionnaires were administered by personal delivery. Convenience sampling approach was adopted in order to collect the primary data and it took a period of one month for the entire collection of data. The individuals targeted for the collection of data for this research project were owner/ Manager of different small and medium size jewellery retailers in Madurai district.

During a four-week period, 217 respondents completed the survey. A total of 217 responses were collected. Seventeen responses were discarded due duplicate submissions or incompleteness, a net sample of 200 (Size is determined based on the sample standard deviation) usable questionnaires was used in this study.

5.2. Tools Used

For the purpose of data analysis, statistical package for social sciences (SPSS) version 20 was used. Statistical tests like chi square test and ANOVA used to identify the relationship between two variables.

6. Analysis and Discussion

6.1. Characteristic of respondents and their business

Table 1 Characteristic of respondents and their business

Factors	No. of respondents	Parent age (%)	Factors	No of respondents	Parent age (%)
Type of location of outlet			Objective of the digital marketing programs		
Stand-alone outlets	76	38	Generate Leads	48	24
Roadside outlets	30	15	Generate Sales	91	45.5
Large shopping complexes	35	17.5	Build Brand Awareness	22	11
Local neighborhood market	43	21.5	Generate Site Tariff	18	9
Others	16	8	Build online community	21	10.5
Type of Business			Business increased over the last 5 years		
Only retail	163	81.5	No	155	77.5
Retail cum wholesale	25	12.5	Yes	45	22.5
Other	12	6	How do you retain your customer		
Social network			How do you retain your customer		
Whatsup	129	64.5	Comm. through mail	4	2
Facebook	26	13	greetings	136	68
Not using Social N/w	29	14.5	Phone Calls	23	11.5
LinkedIn	7	3.5	Gifts	32	16
Others	9	4.5	Personnel contact	5	2.5
Company has an internet site			Business will grow in the next 5 years?		
No	137	68.5	Yes	80	40
Yes	63	32.5	No	120	60

Source: Primary data

Sample Size N = 200

The purpose of the questions in part I of the questionnaires was to obtain information on the profile of the Jewellery retailers in Madurai, Tamilnadu. The Retailer's characteristics are summarized and presented in Table 1 "Characteristic of



Respondents and their business” including type of products, feature of retail outlet, location, age of the outlet, and number of employees. The table also presents owner or manager’s characteristics, including their gender, position in the store, age and educational level. The Table 1 shows that 38% of the retailers are from a stand-alone Jewellery retail outlets.81.5% of the Jewelers are offering retail sales and services.77.5% of the jewelers agreed that their business profit was not increased for the past ten years.68% of the retailers used to send the greetings cards to their existing customers during festivals and some special occasions. Most of the Jewellers (67.3%) are working with family personnel in their retail outlets.

6.2. Group of Business Categorized by Level of Performance

An ANOVA was conducted to investigate the differences of business performance and Marketing strategies among groups of businesses that have different levels of performance. The result shows that the businesses reporting high performance used the “Digital Marketing” factor more than those of medium and low performance. Moreover, those with high performance also use the CRM and website more than the businesses with medium and Low level.

6.3. Digital Marketing

45.5% of the Jewellers agreed that in the current scenario digital marketing and new technology will indirectly increase their brand image and helps in maintaining relationship with the customer and hence increase the business performance.47% of the Jewellery retailers believed that their business will increase in next 5 years if they use new the digital marketing strategy for their business.

6.2.1 Chi square test

Table 2 Chi Square Test results

No.	Hypothesis	Results	Reasons
H1	Age of the retail outlets and Digital Marketing Strategies.	Not Supported	Chi Square results, df value = 20, Asymp. Sig. (2-sided) = 0.696
H2	Size of the retail outlets and the sales in the past five years.	Supported	Chi Square results, df value = 20, Asymp. Sig. (2-sided) = 0.00
H3	Age of the retailer and the effectiveness of the facebook or whatsapp marketing.	Not Supported	Chi Square results, df value = 20, Asymp. Sig. (2-sided) =0.238
H4	Educational qualification of the retailer and adoption of digital marketing in jewellery retailing.	Supported	Chi Square results, df value = 16, Asymp. Sig. (2-sided)=0.005

Source: Primary data

Sample Size N = 200

The Table 2 shows the results of chi-square Test for four hypotheses. Two of the four hypotheses were not supported by the data, consistent with previous literature in most cases. In the cases, Size of the retail outlets influences the sales of the Jewels and there is a relationship between Educational Qualification of the retailer and the digital marketing strategy. Experience in Jewellery Industry has no influence on the digital Marketing and there is no relationship between age wise classification of the retailer and usage of whatsapp or Facebook marketing.

6.4. Social Media Marketing

64.5% of the retailers are active in Whatsup and 14.5% of the respondents have not activated any social network for their business.A significant 66% of marketers said that social media was not important to their businesses.A surprising 29% of the jewellers agreed that they had integrated their social media and traditional marketing activities. A significant 38% of marketers are using social media for 6 hours or more and 46% for 11 or more hours weekly.Social media has been rarely used as a brand communication tool among Madurai jewellers.

6.5. Website:Majority of retailers (68.5%) are not having the website for their business.Jewelers need to assess their web pages and determine the role of the Web site in everyday business operations, since it does not have only an informational role, but also serves as a communication and sales channel.

6.6. Mobile Marketing

Mobile marketing, involves two or multi way communication and promotion of an offer between a retailers and its customers using a mobile medium, device, or technology, is growing in importance in the retailing environment. To satisfy customer needs profitably, given consumer attitudes and behaviors and their differences across segments with regard to the mobile, retailers engage in a number of mobile marketing practices. These practices include: mobile website creation and maintenance, mobile emailing and messaging, mobile advertising, mobile couponing, mobile customer service and mobile



social network management.45.5% of the retailers agreed that the mobile marketing service through smart phone is the best and cheap way to communicate with the customers

7. Conclusion

The Internet, social media and mobile technologies have transformed how consumers interact with Jewellers and how Jewellers market their jewels and services. Besides having an effective strategy that integrates traditional and digital media, Jewellers need to restructure their marketing strategy to fully capitalize on today's opportunities. Best-in-class chain retailers use social media to drive traffic to their own websites, where they can collect more data, conduct better analyses, and deepen the customer relationship. The study observed a decrease in overall business performance for the past five years which appears to be linked to the awareness level among consumer, improvement in the local economy and the presence of Branded chain Jewellery Players with heavy promotional advertisement strategies. New chain retailers in Madurai were found to be growing faster than older businesses in Madurai. Since Majority of the jewellers have originated from traditional family businesses, there has been little emphasis on accounting, management control and digital marketing and these factor contributing to the lack of sustainability in such businesses. Smaller businesses do not have the same access to the resources of larger businesses but can become more competitive through effective use of different Digital marketing strategies through e-mail, mobile marketing, and social media. The findings of this study also shows that extensive training program through regional educational institutions will create awareness about digital marketing to the jewellers. This Research shows that the retailers are not using the digital marketing effectively and hence the retailers should adopt different Digital marketing strategies to promote their brand using this low cost media.

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