

STRATEGIES FOR MARKETING OF GOLD ORNAMENT IN INDIA

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ABSTRACT

In fact perseverance on the part of traders in the gold ornament market in India is very difficult because of tough competition and hence the imperative of building very good relationship with consumers more than ever before. Consequently, gold ornament retailers are using their own unique suitable marketing strategies, operating structures and systems for acquiring new consumers and retaining the existing ones. Due to enigmatic consumer behavior, it is inevitable for the gold ornament merchant to develop new marketing strategies in the gold ornament market of India. The 4 P's of marketing-price, product, place and promotion are not much useful in developing marketing strategies. Therefore gold ornament are also considering 'people' (consumer) as the 5th 'P' of the marketing mix for marketing strategy formation. Marketing strategy is a plan that revolves around the 5 'P's' of marketing. Here the marketing manager relies on product, price, place, promotion and people related strategies for developing a full amount of feasible marketing programmes for a gold ornament retailer. In other words, it is a practicable and suitable top management blue print that links the gold ornament retailer and consumer.

KEYWORDS: Consumer Behavior, 4 P's of Marketing, Marketing Mix, Feasible Marketing Programmes, Ornament.

Introduction

Marketing deals with the activities that direct the flow of goods and services from producer to consumers. Identifying and meeting the human and social needs fall under its ambit. Perhaps the shortest and most precise definition of marketing is offered by Sontakki. He considers marketing as "meeting needs profitably". The present business situation is characterized by consumer-oriented market. Immense competitions, rapid strides in technology and liberalization, privatization and globalization have become the major points in competitive edge in the market. In these circumstances the survival and growth of a business firm essentially depends on a marketing strategy which results in broadening the customer bases as much as possible by not only creating new customer bases but also retaining existing customers.

Product-Related Marketing Strategies

The product as a whole must be presented to consumers effectively. Advertising, pricing and other parts of the marketing mix strategy must work together to attract and induce the target market to purchase the product. At the growth stage of the PLC, gold ornament shops focus on adding new product features by introducing new brands and new designs in their gold ornament collections. This article addresses the question of the influence of the product-related marketing strategies in the gold ornament market of India. While analysing the influence of the product-related marketing strategies on the gold ornament market of India, it has been taken into consideration two important product related strategies, namely, introducing a variety of gold ornament designs and product-quality improvement strategies. The following paragraphs give a brief exposition of each product-related strategy:

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- **Introducing variety of gold ornament designs:** Now-a-days, consumers are more brand-conscious than ever before. Introducing new varieties of designs is one of the marketing strategies resorted to for attracting consumers at the growth stage of a gold ornament shop. It is altruism that people purchase a lot of products. But which product they buy and how they make a buying decision has a lot to do with how they feel about the brands. Product features can be easily duplicated and therefore gold ornament retailers give a brand name to some of the gold ornament items because they are considered a marketer's tool for creating product differentiation. The famous gold ornament retailer has its own gold ornament manufacturing unit with craftsmen from all over the country churning out the best designs.
- **Product quality improvement Strategies:** Indeed, during the growth and maturity stages, the quality of the gold ornament retailers concentrate on improving product that they sell. Product quality improvement strategy helps the gold ornament retailer to get a rapid climb in sales and also earn the gold ornament retailer get a rapt be achieved through, maximum profit. This strategy can marked gold ornaments and by using providing BIS 916 hall 38 purity analyser. These two techniques are helpful in increasing consumer satisfaction and profit maximization.
- **BIS 916 hall marking scheme:** BIS 916 hall marking schemes are based on the quality management systems principles. Now most of the BIS certified gold ornament retailers usually consider 916 hall-marking schemes as a very effective marketing strategy for promoting the sale of their gold ornaments. For boosting the hall marking scheme, major initiatives have been taken by the government as well as BIS recently. During 2005-2006, BIS has conducted a series of awareness programmes all across the country in which large number of gold ornament and consumers actively participated¹.As hall-marking is not mandatory, the BIS certified gold ornament does not have to hall mark its entire stock of gold ornament at one go. Hence, hallmarked gold ornament is differentiated through special counter tags or labels. Gradually, the gold ornament can convert his stock into hall-marked gold ornament, but it is his responsibility to differentiate hall marked gold ornament from non-hall-marked gold ornament². Most gold ornament retailers are giving guarantee for purity of 916. This would promise a level of superior gold quality and purchasing such hallmarked gold materials would be naturally giving unpolluted original items.
- **Purity analyser facility:** Some of our famous gold ornament shops put much emphasis to the purity and quality of the ornaments that they sell. Improving product quality is one of the important strategies that are mainly employed at the growth and maturity stages of the PLC of a gold ornament shop. They are providing purity analyser facility to their consumers. While buying gold or gold ornaments, people have to check the purity of the yellow metal with the help of a purity analyser if they want to get gold of absolute purity. We know that a perfect sovereign would be of 24 carot or 100% pure Gold. However, generally gold for ornaments are mixed with copper in a less fraction; 22 carrots or 916 is the purity of the ornamental gold. Therefore, the consumer should make sure when they buy gold that they are getting only 24 carrots or 22 carrots gold. So, it is advisable to seek the help of a purity analyser while a consumer buys gold.

Price-Related Marketing Strategies

We can say with certitude that prices play a significant role in the Indian economy and the turnover of an organization. Pricing strategies can have a large impact on profit, so should be given the same consideration as promotional strategies. A higher or lower price can significantly impact upon gross margins and sales volume. In the gold ornament market, pricing strategy of the gold ornament retailer always plays a crucial role. Here many pricing strategies exist and each is based on a particular set of circumstances. The main goal of the pricing strategy of a gold ornament shop includes increasing market share and profit maximization. The following paragraphs deal with the price-related strategies:

- **Price Reduction:** Scaling down the price to lure buyers is a vital price-related marketing strategy that is used by the gold ornament retailer in the growth stage. Big and medium gold ornament retailers offer price reductions in their final bill, but most them often refuse to give the real bill. Small gold ornament retailers are not ready to compromise with price reductions. Some famous gold ornament retailers charge wholesale rate of manufacturing cost to wedding parties, if they buy gold in a bulk quantity. Big gold ornament retailers give a maximum of 4% of price reductions from the final bill. Thanks to the increasing popularity of the gold ornament, the marketer is forced to hike the price incurred for the manufacturing of gold ornament.

- **Gold Purchasing Plans:** As the price of gold ornament is rising by the hour, the gold ornament merchant offers the product on instalment basis. Some of our gold ornament shops introduce gold chitty plans for their customers. Under this scheme, customers make their payments in several instalments and those who win the accompanying lottery need not pay the remaining instalments.
- **Rate (Price) Tag Facility:** Rate (price) tag facility is a new marketing technique used by gold ornament outlets for saving the shopping time of the consumers and it reduces the sales person's job. The rate tag/price tag facility gives the consumer all the pertaining information such as net weight, gross weight, actual price, discount rate and stone weight of the gold ornament that they put up for sale. All the information provided by the rate tag facility helps create customer loyalty towards the gold ornament. The terms 'rate tag' and 'price tag' facility used for the sake of the customers mean the same.

Place (Distribution) Related Marketing Strategies

There is no gainsaying the fact that selecting the right place/physical distribution strategy for a business is central to their profession as this is how the product gets to the customer. In the gold ornament market of India, place/ physical distribution of the gold ornament shop plays a pivotal role. The distribution of products is the most essential and powerful element among the elements of marketing mix. Selecting the most suitable distribution channel for the gold ornament item, to reach the consumer is a decision of great strategic importance. Cundiff and still defines 'Channels of distribution is a path traced in the direct or indirect transfer of title to a product, as it moves from producer to ultimate consumer or industrial user³. Distribution channel facilitate the function of breaking large quantities in small quantities⁴. In the chain of distribution in the gold ornament market the retailer is an important intermediary and the last link, performs good many functions of marketing. Gold ornament retailer is one whose business is to sell to consumers a wide variety of gold ornament design are assembled at his premises as per the needs of final users. They have close contact with the producer and the ultimate consumer. And they sell goods in small quantity. Consumers' store choice may be based on different criteria depending upon the nature of the trip⁵. The small gold ornament retailer generally knows most customers by their name and has their confidence earned only over a long period of time.

Promotional Strategies in the Gold Ornament Market of India

Most people would rather buy their ornaments from a gold ornament retailer they like even if they don't know them personally. Promotional marketing is a part of an overall marketing strategy for every gold ornament shop. A gold ornament merchant may use one or a combination of two or more of the promotional tools available to reach out to its targeted customers. The marketer often uses the term promotion mix to describe the types, combination and promotion of various promotional tools employed. To promote the business successfully, a gold ornament has to be aware of whom he needs to reach out to and what he is trying to achieve.

Promotional strategies should focus first and foremost on the existing consumers. The gold ornament shop should make sure that consumers are aware of the full range of their products and services and create opportunities to generate repeat and higher value purchases. The gold ornament shop should try to prompt their existing consumers to spread the fame of their enterprise, perhaps, by trying out new products and services and offering rewards for introducing new customers.

Advertisement

It is irrefutable that advertising is a vital element in the promotional mix of marketing. The extent to which advertisement is used as a communication tool depends upon the nature of the business. Advertising plays a very crucial role in modern business, especially, in the gold ornament market. It is a tool used by marketers and end users of the products and services. It moves markets and minds and it is growing as the back bone of modern national and international gold ornament retailers. Advertisements in different media help to show the size of the gold ornament shop and the range of different collections of ornaments. Now the gold ornament business is on a competition of spending crores of rupees. For opening a new gold ornament shop, their initial advertisement expenditure is in the range of five million to ten million rupees⁶. Gold ornament merchants are giving advertisements in different mediums for attracting and retaining customers. Media has traditionally played little part in influencing decisions. Today there is a shift from print to television. In television, there is a unique blend of sight, colour, movement, sound, timing, repetition and one is exposed to it in one's living room. No other medium can

ever compete with television as far as effective presentation is concerned⁷. The three most attractive parts in TV advertisements, which appeal most to the viewers, are model, product, and action of models⁸. Television advertisements of gold ornament merchants have immense psychological impact on consumers. Gold ornament advertisements are mainly done with the help of celebrities. Schiffman and Kanuk (2000)⁹ observed that advertisers spend enormous amounts of money to have celebrities to promote their products in the expectation that the target market will react positively to the celebrity's association with their product or brand. In the gold ornament market of India, advertisements featuring of more than one celebrity, endorse a product. Chung and Mc Donald (2002)¹⁰ noted that multi-endorsement advertising might appeal to multiple audiences. Music & song are used to allure customers and it is central to the success or failure of a television commercial and its reach. Music and song are popularly used for gold ornament advertisements. Lane and Russel (2000)¹¹ in a study observed that while discussing the creative essentials of advertising emphasizes that "music can be very, powerful in catching the listeners' attention and evoking feelings" .

- **Brand Ambassadors in the Gold Ornament Market:** One can say for certain that in the gold ornament market of India, the importance of the brand ambassadors has increased enormously in the last decade. The main reason of appointing a brand ambassador is to make a certain brand stand out conspicuously and make instant awareness. "Malabar Gold" endorsed by Sania Mirza has been effectively instrumental in increasing the company's brand awareness. Brand awareness of "Malabar Gold" rose steadily after Sania's appearance in the advertisement¹².
- **Celebrating auspicious days in the gold ornament market:** At present gold ornament shops are celebrating auspicious days i.e. Akshaya Tritiya etc as a marketing tool in a big way. Auspicious days play an important role in the gold business in India. In the Hindu culture gold is considered auspicious and is symbolic of Lakshmi, the goddess of wealth. Indians consider buying even a gram of gold on an auspicious occasion as an act of good women.
- **Offers of the Gold Ornament Retailer:** In order to entice wedding parties some gold ornament merchant meet the traveling expenses incurred by the would-be buyers. Providing tour packages to newlyweds is another new strategy resorted to for retaining loyal customers and attracting new ones. Discount Voucher is a new strategy in the gold ornament market, with price discount to Consumers for each gold ornament purchase. Competition has also led to several promotional and gift schemes for most part of India.
- **Canvassing Agents:** In the present competitive business situation, the gold ornament merchant try to enhance customer acceptability by heavy promotional investments in awareness building and by creating goodwill towards them and their products. Appointing canvassing agents is a promotional strategy that is used in a large scale by the gold ornament retailer for promoting their sale. It is one of the important and effective forms of promotion tools.

People (Consumer)-Oriented Marketing Strategies

In today's competitive business environment, innovative marketing methods are employed to fulfill the needs of consumers. Prasad and Nataraj (2006) in a study observed that in the present day scenario where the consumer is the king, it has become very important for the marketers to interact with the consumers, study their needs, explain the features of their products and convince the consumers the benefits of their products¹³. The gold ornament retailer must then look at the tastes, habits, values and influencing factors of these potential customers. Hence, consumer-oriented marketing strategies give the gold ornament retailer the tools required to examine which stores/distribution channels should carry the product; the price sensitivity of the product, and which segments of the population are the purchasers of the product. Marketing broadly here implies retaining a customer by providing appropriate services to them in time.

Relationship Marketing Strategies in the Gold Ornament Market

Relationship Marketing (RM) covers a wide range of marketing techniques and processes that aim at creating and managing customers by providing appropriate service to them. The launch of a customer satisfaction program through relationship marketing strategy is a key challenge faced by the gold ornament merchants in today's competitive market. Attracting and retaining customers assumes an important part of the strategic management of gold ornament retailers. This is where relationship marketing practices play a vital role. The important relationship marketing strategies used by the gold ornament merchant provide good customer services and hospitality, and inviting consumers on the

special occasions of the gold ornament trader. Malabar Gold provide life time free maintenance and 1 year free insurance coverage to their valuable consumers. The market players like Bhima, Josco, Malabar Gold, Alukkas, Alappat, Kalyan, give 100% buy back guarantee to their customers. Another powerful technique followed by the gold ornament shop is providing a very good hospitality to their consumers for building relationship with them.

Social Responsibility Programme

At present gold ornament retailers, especially Malabar Gold group and Josco gold ornament merchant, are concentrating on social responsibility programs. Malabar gold group gives medicine and partial financial assistance for building houses to poor people. In association with the Govt. of India, Malabar gold group is conducting a corporate social responsibility campaign called the 'Beauty meets quality' campaign. Josco is already engaged in a number of social service works. Some of them give financial assistance to brilliant students, who are financially poor, and to cancer patients for their medical treatment, and felicitate the couples those who have completed their 50th year wedding anniversary¹⁴.

Conclusion

It is clear that a marketing mix is made up of five elements, namely, product, price, place, promotion and people and that they constitute the core of marketing decisions from the angle of the marketer in the gold ornament market. As elucidated earlier, the five 'Ps' model of marketing mix has gained acceptance probably more because of its elegance than its validity in all the situations. Further, each of the five Ps' can be broken down into a number of sub-components.

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