

APPLICATION OF EKB MODEL TO E-RETAILING WITH SPECIAL FOCUS ON GOLD JEWELLERY

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ABSTRACT

The present digital world provides opportunities in business to develop high levels of consumer delight. Digital technology has driven online shopping culture and involves decision making process with little twists in the model proposed by Engel, Kollatt & Blackwell (EKB) for consumer behaviour. Social media has brought about fundamental changes the way marketers develop their strategies as consumer perceptions about products changes. The study focuses on how customer decision based on the model can help the jewellery industry to develop strategies so that consumers gain confidence and business grows with adoption of digital technology.

Key words: Digital marketing, Social media, gold Jewellery, consumer decision making, technology

1. Introduction

Mobile penetration has increased widely having wide implications for business resulting that consumers are empowered with technology. They are well informed with relevant information for decision making. The accessibility of messaging apps and mobile commerce has made a battleground for consumers and businesses to navigate alternatives available. These changes has given businesses an opportunity in wellbeing decision process. The consumer decision journey is influenced by fragmentation of traditional advertising and media. Marketers have become more cautious in dealing with consumers as digital wave push predominates on the touch points in form of comments, blogs. Such two way communication has enabled a systematic engagement with consumers. Detailed exercise on research and comparison are tools for taking online buying decision. The consumers are flooded with 24/7 information making decision making a strenuous task.

Social selling has gained momentum as online sellers have successfully altered the customers purchase landscape. B2B and B2C companies are providing long term value in decision making process. According to report by PWC approximately 78% of consumers are influenced by social media when purchasing. Influencer marketing is shaping up as tool in digital decision making. Family, Friends and known people have strongly influenced purchase decision but on contrary reliability on stranger's opinion in form of comments and blogs are also considered in pre purchase advice. Buzz marketing, blog marketing and viral marketing have evolved social viral culture which has affected businesses and influenced the customers in decision making. Customers value buying experience, support and service for creating an impression on company's brand image. Brand value proposition offered by company gives a simple informative and a comparison of the models. This transforms the customer into loyalist so that they can easily advocate about the brand based on rich experiences.

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The digital decision process gives approximately 8 seconds to consumers for decision making. Global connectivity floods with fast information that the consumer action on decision process gets slowed down.

Some key focal points in digital platform are

Simplicity – online retailers need to make buyers journey simple as the consumers face stressful array of decisions. Retailers need to use artificial intelligence for smart recommendations so that right product selection is wisely done. They offer real time messaging services using chatbots.

Intelligence – consumers have become demanding to make better decision; hence they need to craft their opinion on information clarity. Chatbots technology has enabled retailers to become forward thinkers and provide direction to consumers.

Experience- retailers are exposing customers with innovative solutions using o augmented reality to suit their needs. Customers get visual experience prior to their decision process, thus empowering them with a justified decision.

2. Review of Literature

Ashman.et.al (2015) in this study has shown how a traditional model of decision making holds true with digital adoption with twists and turns. This model which was formulated long years back has twists in it when looking at digital world. Social shopping tools facilitates consumer decision process involving social validation of products in form of recommendations have given rational decision.

Chavan and Bansal (2016) in their research found that Facebook and twitter are strong digital marketing platforms attracting users in form of modern age marketing like Buzz marketing, viral marketing or Word of mouth. They have touched the consumer lives through interactive marketing and engagement. Digital promotions and communications helps in segmentation using GPS services and help to target people using search services. The consumer metrics on preferences are measurable as the digital platform maintains the accountability of click per page and customer visits on that page.

Charan. Et.al (2017) in their research found that today's youth influenced by social media leads to an impactful effect on their cognitive abilities. Youth are pampered and show strong signs of addiction to social media that it literally becomes inseparable. Marketers grab the opportunity to target this segment by studying online behaviour and cognitive reactions as studied or depicted by social media. Social media takes the advantage as it is designed in customised way so that customers feel benefitted by getting optimised solutions or searches. The sample findings indicate that most of them find social media as an effective tool for promotions. Age plays an important factor on the types of products promoted on social media. Search in social media for certain products stands as gender biased.

Jadhav. Et.al (2018) in his research conducted at Nagpur city has found that digital marketing domain has an impact on consumers buying decision. Online platform gives lot of options to consumers by introducing various promotions and customer engagement methods like gifts, discounts, free delivery which makes customers feel satisfied with their shopping experience.

3. Research Methodology

This paper is based on theoretical concept of consumer behaviour model suggested by Engel, Kollat and Blackwell's (1978) as a backdrop for decision making. The model was later extended to Engel, Blackwell and Miniard's (1986). The five stages of decision making include problem recognition, search, evaluating the alternatives, purchase and post purchase. The paper focusses on environmental influences on beliefs, attitudes and intentions of decision process. The external environment includes individual differences, socio cultural factors, situational and economic factors and online aspects.

Hence the model is analysed with perspective of changing current scenario applicable to digital world. To yield information unstructured form of method was adopted from the retailers in Mumbai. It comprises of gold jewellery retailers in Zaveri bazaar of Mumbai. The bazaar is a major hub dominated by B2B or B2C jewellery market. The

present study will undertake a review of basic and contemporary literature explaining critical issues of how the organised jewellers handle challenges for digital world. Expert opinion from the retailers have helped to generalize strategies how gold jewellery sector can perform in digital platform. The outcome of these strategies would help the retailers to apply decision making practices in their business activity.

Analysis of Engel, Kollatt, and Blackwell (EKB) consumer decision-making model with adoption to digital technology

The model proposes series of decision making involving problem recognition, information search, evaluation of alternatives, purchase and post purchase evaluation. There is a cultural shift with adoption of digital technology as consumer enjoys information and power and organisations and

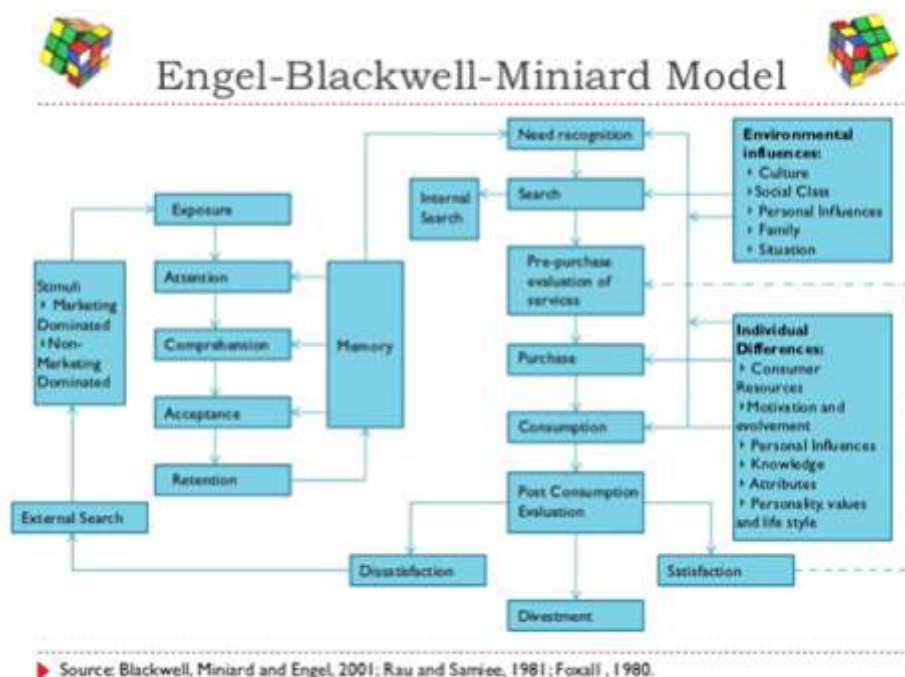
business totally rely upon. Digital world has brought likeminded people under one roof where their knowledge and opinions are shared which leads to transparent market environment. In the digital marketing domain, decision is totally supported by the blend of opinions of social friends which making it participatory culture unlike in traditional methods of decision making. The emerging e-commerce allows customers to stimulate shopping experience by providing adequate feedback before the decision is taken to purchase.

4. Objective

To analyse the suitability of EKB model for decision process of purchase for gold jewellery on virtual platform.

5. Analysis and Interpretation

Decision making on the basis in digital platform based on the EKB model



Stage 1: Problem recognition –Traditional marketing efforts, such as advertising and promotions, store displays, catalogues, coupons and emails, seek to arouse problem recognition as they draw attention to unrecognised wants or needs (Bruner & Pamazal, 1988).

Adoption of shopping online has given the customers leverage with online interactions so that

decision could be easily taken. Facebook friend can share the links of affordable jewellery with competitive pricing so that finances do not stand as a constraint in decision making. Collective participation of public opinion triggers and give wider solutions to problem recognition.

Stage 2 Information search –buyer is aware of a exact want or need, he or she accesses different

sources of information to recognize optimal options (Palmer, 2000), from friends family and other people and also past purchase and experiences (Bettman & Park, 1980; Solomon, 2015)

Digital adoption has shown a paradigm shift of reliability in areas of customer reviews, search engines, blogs, social media pages and customer feedbacks. Online information has boosted the customer experience. Physical stores still enjoy the touch and feel way of inspecting the product but multimedia support on the web has facilitated visual effect which makes customer satisfied.

Stage 3 Evaluation of alternatives – When a buyer evaluates options, this process gives a consideration set of relatively limited options (Nutt, 1998). Marketers have understood that regiment depends additionally upon peer, friends and family recommendations Kozinets, Hemetsberger, & Schau, 2008; Kumar & Benbasat, 2006; Shen, 2012).

Decision maker evaluates all the alternatives which are limited in number and narrows down on the choice set, whereas in digital numerous options are available but customer looks for only from known recommendations.

Stage 4 Purchase- After assessing substitutions, the buyer chooses the product they want to purchase. During this step, the shopping knowledge is essential in producing perceptions of worth, and therefore either encourages or put off the buyer of their choices (Blazquez, 2014).

Buyer can ask to social validation on merchandise options from others in the online environment, and use DSS (decision support systems) (Kim & Forsythe, 2009).

Stage 5 : Post Purchase evaluation – Before any purchase, the buyer forms prospects about a merchandise. Similarly, after the purchase customers re-evaluates and forms further expectations for their future levels of gratification based on how they think the merchandise has performed (Fornell, Rust, & Dekimpe, 2010).

It gives the customer a mind to reevaluate and assess the performance of product purchased and to understand the future levels of satisfaction based on

its current performance. This phase is important as it helps to build social image in the minds of consumers.

Status of Gold Jewellery industry

Jewellery industry unfolds a multifaceted future worldwide. Consumer's appetite is volatile due to global recession being hit, but industry is dynamic with expected growth to reach up to 250 billion Euros by 2020. Globalisation and strong branded jewellery presence has created growth prospects by reconfiguring the marketing channel so that it matches the changing trends of fashion.

Ways how social media is important for jewellery industry

Social media has created a revolution in consumer's behaviour their attitudes, perceptions and willingness to make a decision. They are strong influencers in consumers mind giving them wide exposure so that they get a chance to review their thought process and are ready for a change. Companies are readily involving in creation of innovative methods in social media around their products and services so that visibility is created in digital platform.

Jewellery companies need to make a rich content website showcasing range of all new products and try to incorporate rich landing page contents on Facebook, Instagram, YouTube and Pinterest as customer engagement is maximum. Interesting content is a key to every jewellery brand which involves informative blogs by experts, info graphics, videos and glamorous pictures so that viewers get hooked to the content and their mind captures the images and content. Blogging will facilitate unique selling proposition enabling engagement of traffic on the website.

6. Conclusion

The gold jewellery industry has a glittery future. With the paradigm shift towards digital platform, gold jewellery industry is trying to establish its identity and become more organised. Strategies are developed so that all web related tools can be used to study consumer behaviour. Standardisation of products in terms of quality is the need as social media involves rapid spread of likes and

recommendations. Gold jewellers have to broadcast more information and it will give them an edge on pricing strategy so that customers gain confidence. Social image building is required as consumers decision primarily is influenced by shares, likes, following blogs.

The above research conclude that the augmented and virtual reality tools will support the online business for merchandise like gold jewellery, and EKB can be adopted to describe the decision making process on e-retail platform. Buyers can validate on product options from others in the virtual environment, and use DSS, such as recommender systems, comparison matrices and sensory-enabling technology (Kim & Forsythe, 2009).

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