MODEL CREATION OF MARKETING FACTORS FROM GROUNDED THEORY FOR DIAMOND JEWELRY RETAIL STORES IN BANGKOK

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ABSTRACT

In terms of marketing, most of diamond jewelry retailers in Bangkok focus on prices and sales promotion factors. Only few of them focus on holistic marketing. Most of the researchers who use the research methodology about diamond jewelry stores in Bangkok using the method of quantitative approach to find out the customers’ behaviors. Just few of them use the method of qualitative approach to accumulate marketing strategies from the retailers. The objectives of this study were to find out what are the significantly marketing factors for diamond jewelry retailers are, to study each of marketing factors’ detail from the marketing model and the relation between them and to interpret the main idea of the model then write into a fundamental theory.

To create the marketing factor model, it could be used with the process of grounded theory that is the major method of this research topic in order to create the marketing factor model. This research mainly focuses on data collection of Documents research, In-Depth Interview and application of Video Traces System and Annotations. The entire data is collected and synthesized to put into the Grounded Theory processes which are Open Coding, Axial Coding and Selective Coding. The study was resulted from primary and secondary data. It begins with secondary data results from research documents and online visual information then continues with the first model after that follow with primary data results from in-depth interview then along with the second model that was resulted from the second grounded theory process and continues with the result of the final model which was adjusted from the business and academic institute experts’ comments that were agreed by the researcher.

The result presented the final model with focusing on 5 factors which are product, trust, store and location, IMC and sales presentation.

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INTRODUCTION

At present there are many jewelry stores in Bangkok areas. Most are in department stores, shopping malls, stand-alone and located in the business districts. Still, some are independent. After survey from each place, it has been found that most of retailers focus the marketing concept in terms of price and promotion only. Only few of them do holistic marketing. Just few stores are outstanding, most of them are homogenous. In addition, marketing strategies are not clear. In order to make the marketing strategies more effective and clear, doing research by collect important factor data and build the marketing strategic models using fundamental theories should be the way to improve this business.

LITERATURE REVIEW

This paper is analyzed with related documents and research studies of conceptual and theoretical of marketing strategy, grounded theory and its applying, principle of gems and jewelry and related researches from grounded theory and diamond jewelry retailer studies.

Retail marketing is a part of marketing concept. This research topic will focus on retail marketing strategy suitable for diamond jewelry retailer store. Malcolm and Dennis (2002) stated that retailer is “a dealer or trader who sells goods in small quantities” or more pedantically. Retailers interact with the final customer in a supply network. From an economic standpoint, the role of a retailer is to provide real added value or utility to their customer. This comes from four different perspectives of “Form of a product” that is acceptable to the customer. “Aspect of place” offerings are available at a place appropriate to where a customer wants to purchase. “Time utility” in these respect retailers provided a benefit by making offerings available at a time suitable to their customers. Finally, there is utility from possession in that retailers facilitate the “Transfer of ownership” to the customer.

Glaser and Strauss (1999) stated that grounded theory is the “discovery of data systematically obtained from social research”. Grounded theory (GT) is a specific general methodology. It is no better or worse than other methods. It is just another option for researchers. Grounded theory is used in part or in whole by
researchers. When used in part, it is “adopt and adapt,” with other research methods woven in, based on the training and judgment of the researcher involved.

This research will apply the grounded theory process from J. Corbin and A.C. Strauss (2007) that referred by Santos and Goldman (2012) (Figure 1). These process consist loop of data collection, open coding and axial coding, selective coding and theoretical integration. Then it will combine with Christina Guilding (2002) referred to Hirschman and Thompson (1997) at the point of “Ensuring credibility through member checking” to have expert or academic people confirm the grounded model as it should be before writing the theory.

**FIGURE 1. GROUNDED THEORY RESEARCH PROCESS**

![Grounded Theory Research Process](Image)


Figure 1 to briefly depict the whole process of this research method. It consists of examining each provided document more than once and independently by more than one researcher to reduce bias, seeking to identify units of meaning through a process of “Open coding”, which seeks to establish conceptual categories.

Next, connections among conceptual categories are made through “Axial coding”. At this stage, it is necessary to define a logical association between categories. Thus, the constant comparison method is employed, working “back and forth” between the established categories and the original data in order to identify related phenomena, causal conditions, contexts, action/interaction strategies, and consequences of actions to develop notional categories. Charts can be used to depict these relationships. At this stage, it is also possible to identify one or more interesting phenomena (Dimensions) within the “Theoretical sampling” presented in various contexts to refine the next sample.

Then, after reaching theoretical saturation on several joint “Data collection” and analysis, the “Selective coding” is performed to identify the main categories, existing or new, to develop a descriptive narrative (Theory) encompassing them. Later, the interpretations of the “Theory” are validated and refined through theoretical integration, which consist of relating the resulting theory to other existing theories to generate confirmations, and even formalizations.

Christina Goulding, 2002 refer to Hirschman and Thompson (1997). Stated offer a good example of using others to ensure consistency of findings. They used grounded theory for the collection and analysis of data when researching the impact of the media and advertising from a consumer-based frame of reference.

The researcher could conclude that to ensure credibility through member checking is an important part before getting to the writing theory step. The entire of the information written into axial code and selective code must be proved with an experimental expert. The expert is in duty to comment or guide the way to the grounded theory model through end process.

Diamond is the most important gemstone with high value and it is more expensive than others due to its durable. It has high refraction index value and high diffraction. So, it is shining. Moreover, it is formed in hot and high-pressure places. There are two main categories of diamond, gem diamond and industrial diamond. Gem diamond is around 20 percent of annual diamond produced each year (Panjawan, 2003).

Diamond and diamond jewelry markets of domestic Thailand combine the total market value of 3.5 ten billion baht. In the matter of distribution categorization to diamond stores account for 2 ten billion baht and gold stores and gold counters in department stores account for 9 billion baht (Aunyarat Pornprakrit, 2013: Online).

According to the consensus survey on gems and jewelry industry, it is found that there are 15,777 gems and jewelry enterprises. 380 of them (2.41 percent) are big enterprises. The rest (97.59 percent or 15,397) enterprises are SMEs (OSMEP, 2013).
This research will focus on genuine jewelry in precious metal (Gold or Platinum) which set with Diamond and selling in Bangkok area only. To find out the possible marketing factor for diamond retail store in Bangkok, the matter of research documents can be based on retail marketing and branding concept together with other research documents to discover what are the exact significant factors that diamond retailers in Bangkok need.

RESEARCH METHODOLOGY

This research included 3 methodological methods in order to accumulate the data from both primary and secondary data. The first angle is “Research Documents” for the secondary data. The second is “Video traces system and annotations” for the secondary data, then the third angle of “In-depth Interview” is collected for primary data analysis. The following are thesis methodology framework (Figure 2) to synthesize data into the model by Grounded Theory Process.

FIGURE 2. THE DATA IS SYNTHESIZES INTO FINAL MODEL AND THEORY STATEMENT BY GROUNDED THEORY PROCESS

Stage one is about to define problems & topic statement in order to clarify the thesis topic and data collection process as a triangular model which is accumulated from research documents, non-participant observation and in-depth interviews. At stage two, after collecting and synthesizing the data from the documents and video traces system and annotations, then the researcher will start the grounded theory process at the first model. The first process is to open coding.

Stage three is about to prove the logic paradigm and the first model in real situation. This stage is to get the primary data by focusing on in-depth interview that was collected from in-depth interview results from 12 diamond jewelry stores covering Bangkok area; including department stores (group of counter stores and stand-alone stores), shopping malls (stand-alone store) and individual stand-alone stores. Most of them comprise of more than one branch up to 20 stores spreading out in Bangkok area. The second grounded theory process comes from the primary data of the interview process then the marketing information will be collected and synthesized be grounded theory process at the second time. Then the first model will be developed and synthesized into the second model of marketing factors.
The final stage is about to clarify and consult the second model with business experts and academic institute in order to adjust the model angle points that will agreed with the researcher to the second model to the final model. After that, the researcher could write the theory to get from the final model into paragraphs.

**DATA RESULTS AND ANALYSIS**

The data results begin with secondary data results from the research documents and online visual information then continues with the first model that was resulted from the first grounded theory process after that follow with primary data results from in-depth interview then along with the second model that was resulted from the second grounded theory process then continues with the result of the final model which was adjusted from the business and academic institute experts’ comments that were agreed by the researcher.

The secondary data was collected from 19 research documents, totally more than 200 pages which are from academic journals, electronic journals, text books, research documents and organization magazines plus 31 online visual videos from Youtube website.

The researcher collected the research documents that related to marketing strategy for the jewelry retailers from academic journals, electronic journals, text books and research documents then coded each document one by one to extract the codes out from the whole content. The online visual videos were extracted the codes out from Youtube website by Video Traces System and Annotations method. The researcher searched out the video that related to the famous jewelry brand in Bangkok, retailer strategy for diamond jewelry from overseas brand and customer behaviors, etc. There are total 769 codes were extracted from research documents (with 466 codes) and online visual videos (with 303 codes). After deleting out the duplicating some codes then researcher re-summarized both of them into 446 codes. With 446 codes, the researcher is able to group and conform the selected documents and visual videos into 56 conceptual categories. And from 56 conceptual categories, researcher generated the major group code that called “Axial Code”, total 13 axial codes. From Axial Coding, the researcher selected the major group code that called “Selective Code”, total 4 codes (Figure 3).
FIGURE 3. THE LINKING MODEL FROM THE FIRST GROUNDED THEORY PROCESS

After completing the selective codes and axial codes, the researcher illustrated few codes into the model. This research, it is called “First model” (Figure 4).
The primary data was collected from in-depth interview results from 12 diamond jewelry stores covering Bangkok area; including department stores (group of counter stores and stand-alone stores), shopping malls (stand-alone store) and individual stand-alone stores. Most of them comprise of more than one branch up to 20 stores spreading out in Bangkok area. Second grounded theory process comes from the primary data of the interview process.

After the researcher collect the data from total 12 RDs, the researcher summarized into 8 points of Product and Value, Pricing, Branding, Positioning and Trustful, Store Location, Store Atmosphere and Distribution Channel, Marketing Promotion, People, Service and Key Success Marketing factors for each interviewee and summary. After that fill up the new code that got from the interview results into grounded theory process and revised few of the axial code and selective code then finalize into the second model, ready for the business expert and academic institute expert.

After the researcher realized again the new code that related to the axial code, there were some codes needed to be regrouped and made easier to understand. To illustrate all the new relation for second model, the researcher could create the linking model (for the second model) as shown in Figure 5. After making interview to get some results, the researcher adjusted the selective code by fading out the axial code “Promotion” that was changed to “IMC” and standing out as the major selective code. It should be separated from “Sales Presentation” as the researcher found some new important things from the interview which resulted that it should focus the IMC after “Store & Location” point. The researcher was able to describe detail of each 5 selective codes by Figure 5.
After the researcher had completed the selective codes and its roots, the researcher illustrated them into the second model that was developed from the first model (Conceptual model) as the following Figure 6.
FIGURE 6. DISPLAYS THE SECOND MODEL SHOWING THE RELATION AND THE CROSS RELATION BETWEEN AXIAL CODES AND SELECTIVES USED IN THE LOOP OF RETAIL MARKETING PROCESS AND SHOWING THEIR CONNECTING POINTS

After consulting the second model with the business and academic experts, the researcher agreed with some comment points and adjusted to the second model to become a final model by following Figure 7.

FIGURE 7. THE FINAL MODEL SHOWING RELATION AND CROSS RELATION BETWEEN AXIAL AND SELECTIVE CODES IN THE LOOP OF RETAIL MARKETING PROCESS AND SHOWING THEIR CONNECTING POINTS INCLUDING THE HEART OF THE MODEL, “PRIDE”
CONCLUSIONS

“Model Creation of Marketing Factors from Grounded Theory for Diamond Jewelry Retail Stores in Bangkok consists of 5 significant factors in order to market the retail store as accomplished.”

The first step is “Product” which should be considered before opening a store. Retailers should be able to set up the price and add the value to the product.

The second step is “Trust”. The retailer could enhance the trust from customers by building a strong brand and find out what the demands of the customers are in order to give them service that they want and feel satisfied. The retailer should be able to set the position of the brand in mind of customers at the beginning step.

The retailer should find out the prominent “Store & Location”. A store should have the supported atmosphere factors in order to persuade customers to come to visit. Apart from the prominent location and store’s atmosphere, the retailer should find out more channels such as online stores to lead customers to come to visit the physical store.

The next step is to disperse the brand by using “IMC” which focuses on advertising, word of mouth power, PR and sales promotion.

The next factor is “Sales Presentation”, the retailer should have skillful salespeople who are able to adapt themselves to each customer that comes to visit the store. They should have enough knowledge to answer customers and have a very good skill of presentation and close selling. The CRM and after sales services are the key to create the relationship with the customers, make they feel satisfied and repeat purchase.

The word “Pride” in this model was mentioned for the retailer to have duty to create any of ways to make customers feel proud of what they perceive. Nevertheless, “Pride” is just a word that was added to the final model, it’s not the main category or selective code.

The result of this research is relevant to the literature reviews at retail marketing points by Malcolm and Dennis (2002) in the part of roles of a retailer's “Form of a product” presented as selective code “Product”, “Aspect of place” presented as selective code “Store & Location”, “Time Utility” presented under the selective code “Sales Presentation & IMC” and “Transfer of Ownership” presented under the selective code “Trust”.

IMPLEMENTATIONS

After finalizing with the experts’ comments, the researcher agreed with the academic experts in order to classify the final model into 3 stages of retailer level.

The researcher could mention the retailer level as “Beginner” for the new retailer, “Intermediate” retailer for the retailer who doing the business for a while and “Expert” for the retailer who is already succeeds in business.

The Beginner level would start from the first point of “Product”, the new player should be able to know the diamond jewelry product before going to the further steps. The process flow should be the same as the final model which starts from Product, Trust, Store & Location, IMC, Sales Presentation and Pride. The relation between factors would be the same as the final model (Figure 8).

**FIGURE 8. THE FINAL MODEL FOR “BEGINNER LEVEL”**

For the intermediate level, there are no points to start with. The main idea is the retailers have to check themselves which factor they might not have or focus on and fulfill that point of factor (Figure 9).
There are no arrows for “Expert level”, the final model for the expert retailer who already succeed or are famous in the market owing that they can check themselves how many scores point they get from each factor or each selective code. The final model for “Expert level” is the tool to check the list. For example in 10 points, the retailers get how many points per each (Figure 10).

It is not necessary to start the model in any one of the factor angle. The retailer should adapt and apply the own way by doing business analysis or strategy tool such as SWOT analysis to analyze the situation of the business and do STP marketing before getting this final model to be yours.

In order to adapt this research model to be used with the small city, it could be done by the respondents from the local area, then process with the grounded theory steps to collect the primary data. For the secondary data, the future researcher should be able to use the data from this research and add more codes that are up to date into the first grounded theory process.

REFERENCES


