

Chapter 20

Tata GoldPlus: Adoption of Customer Oriented Strategy for Penetrating Market Opportunity

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EXECUTIVE SUMMARY

The TATAs entered the jewelry market with a retail chain, Gold Plus, which was engaged in selling branded jewelry. Their focus was on the mass market with a presence in small towns and in rural India. The sale of jewelry is based on trust which cannot be established in a day and the jewelry market has been the domain of local players who have dominated for years and have developed strong bonds with their customers over many decades. Further, there are also many players in the branded jewelry segment such as Gitanjali, D'damas, Asmi, to name a few and many other multi-national firms. These would provide stiff competition to Gold Plus. Therefore it remains to be seen how far Tata Goldplus is able to make a place for itself in the crowded market.

INTRODUCTION

The Gems and Jewelry (G&J) market has grown fast and what was considered unaffordable and out of reach of a common man has suddenly made a common housewife visit this market. The growth of this market could be one of the highest in consumer sector. What was thought to be worn by those who were the rich and the suave has suddenly come within the reach of the common man. This has become possible with a strong marketing strategy, development of the retail chain, and a change in

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the philosophy and style of sale of products. The growth in this sector could also be attributed to striking the chord with the consumer and challenging the buying power of the consumer. TATAs made a foray into this sector with Gold Plus-a retail chain engaged in retailing of branded jewelry focused at the mass market.

Indeed an innovative venture. But how successful would they be in their venture remains to be seen. Would they be able to penetrate this sector? This is because on one hand this is a playfield of the local jewelers who have come a long way in developing strong bonds with their customers over many decades. On the other, there are some major competitors to face in the branded jewelry segment such as Gitanjali, D'damas, Asmi, to name a few and many other multi-national firms that may provide stiff competition to Gold Plus.

INTRODUCTION TO TATA GROUP, TANISHQ, AND GOLD PLUS

The Tata Group is a multinational conglomerate based in Mumbai, India. Tata Group is the largest Company in India expressed in terms of market capitalization and revenues. It started with manufacture of steel and today it has presence not only in steel but in almost every field; from automobiles to information technology, communication, power, tea, and hotels. In fact, it has presence across seven business sectors. It has operations in more than 85 countries.

The Tata Group owns the Titan Industries. Titan Industries is India's leading manufacturer of watches and jewelry. It is the world's sixth largest manufacturer brand of watches. It was established in 1984 as a joint venture between the Tata Group and the Tamil Nadu Industrial Development Corporation. The company is said to have transformed the Indian watch market, offering quartz technology with international styling. These watches are manufactured at its state-of-the-art factory at Hosur, Tamil Nadu. In 1995, the company diversified into jewelry under the brand Tanishq. Tanishq is a branch of the TATA Group which retails in jewelry and it is said to be India's largest business house. It came into operations in 1996 and is today India's largest brand of jewelry. It is said to be India's most admired brand of jewelry and an *elitist class brand* of jewelry.

Gold Plus, on the other hand, is a *mass-market jewelry brand* from the TATA Group. It is a chain of jewelry outlets from Titan Industries focused at the small towns. It launched its first store at Bheemavaram and later at 15 places across Tamil Nadu, Madhya Pradesh, Andhra Pradesh and Maharashtra. Goldplus has a commitment to provide customers in smaller towns and rural India gold jewelry *in assured purity*. It has received huge acceptance from consumers. It is basically targeted at semi-urban and rural areas.

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