

INNOVATIVE PRODUCT DEVELOPMENT AND MARKETING STRATEGY AMONG MADURAI BOUTIQUE ENTREPRENEURS

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Abstract

The scope of the study is to find the factors that are influencing the new product development and to identify the various promotional strategies of boutiques in reference to Madurai city and helping them with our action plan. The area of study was boutique entrepreneurs in Madurai. This study started with searching for various boutiques and addressing them with the questionnaire we prepared. The sampling method we used for the study was judgement sampling methods which comes under the category of non-random sampling method. The research methodology used for the study was descriptive and quantitative research methodology. The sample size was 30. The data collection method was questionnaire method. The questionnaire schedule was framed based on the title of the study. The analysis and interpretation of the raw data collected was done using percentage and correlation method. The data has been in the form of the tables, charts for better understanding. From the analysis and interpretation, it is found that majority of entrepreneurs were aware about various promotional strategies, factors influencing product designs and social media platforms which help them sustain in the market. Certain action plans like participating in college events, fests, guest lectures that can help them more about understanding the customers' tastes and preferences.

Key words; Entrepreneurs, product development, Promotional Tools.

1. Introduction

In a world where game changing business strategies evolve, customers easily get attracted by competitors. Businesses need to aim at creating awareness about their product and attracting people to buy them. The changing consumer behaviour, unquenchable customers, heavy competition around the world and technological advancement force organizations to focus on new products to sustain and survive in this business world. The product line that lingers in the market for long may turn into an obsolete. The business can keep pace with changing market conditions with the strategy of new product development and promotional activities.

Product development is a complete process of introducing new products in the market or renewing the existing products. It takes months or years for the product development team to take a product from the design process. Maybe it is the brainstorming ideas from the development team, suggestions from customers or an opinion from the senior managers; product development commences with an idea. Ideas can be generated by identifying and validating the market needs. From 14 product ideas only three get launched. So the development team gets creative and generates ideas to design products that solve the business problems and meet market needs.

Promotional strategies are essential for a business to increase revenue, increase brand awareness, increase customer loyalty, improving word of mouth, and building better relationship with the customers. A good promotional strategy can act as a game changer for the profitability and goodwill of a business.

1.1 Introduction about community

A boutique is a small shop that deals in fashionable clothing or accessories. It is derived from the French word boutique in stylish clothing, jewellery or other types of luxury goods. Compared to the larger merchandise retailers who have several product departments, a boutique is often a hidden gem of a store, stocking a deep assortment of one specific product. Whilst only selling one product might seem restricted, this actually allows customers more choice within that range. A boutique usually comprises of only one or a few physical stores or even an online presence, but this certainly doesn't mean that they're not worth shopping in! Boutique stores often evolve purely out of a founder's product passion rather than a mere way to make some more money, which means that when you're supporting a small business, you're also more likely to be supporting a business founder's dream

1.2 Objectives

- To identify the techniques used to develop the new products in boutiques.
- To understand the tastes, preferences and expectations of the customers.
- To measure the demand for the boutiques in Madurai.
- To examine the various promotional techniques used by the boutiques of Madurai to promote their products.
- To assess the factors influencing the product development of boutiques.

2.Review of Literature

2.1) **Arpita Khare and Sapna Rakesh (2010), A study on Predictors of fashion clothing involvement among Indian youth.** In developing countries, consumers are aware of fashion brands. This research was directed to understand the determinants of fashion apparel involvement among Indian youth. The study was conducted using fashion clothing engagement to understand the importance of fashion clothing in the lives of Indian college students aged 18 to 24 years. A five-point Likert scale was used for the study. The sample size was 350, and 319 questionnaires could be used for analysis. The results show that Indian youth have an affinity for branded fashion wear. There is no significant difference in the involvement of women and men on fashion clothing.

2.2) **Gunja Kumari Sah, Lecturer Faculty of Management, Patan Multiple Campus, Lalitpur, Tribhuvan University, Nepal (November 2011)** Factors Affecting Online Shopping Behaviour of Boutique Products in Kathmandu Valley. This research aims to assess the status of online buying behaviour of boutique products in Kathmandu Valley. To explore the relationship between price, trust, firm reputation, ease of use, and online shopping behaviour. The result revealed that trust, firm reputation, and ease of use are significant at a 5percent level of significance. The study will help the boutique business to develop their strategies as per the consumer need.

3.Research Methodology

The sampling method adopted for the study was Non-random convenience sampling. The research methodology used for the study was Descriptive methodology. The sample size was 30. The data collection methods were interview and questionnaire method. The

questionnaire schedule was framed primarily based on the objectives of the study. The analysis and interpretation of the raw data collected was done using a percentage analysis method. The data has been in the form of tables, charts and bar diagrams for better understanding.

4. Analysis and Interpretation:

Table No 4.1 Innovative steps to develop products

| INNOVATIVE STEPS TO DEVELOP PRODUCTS | NUMBER OF RESPONSES | PERCENTAGE |
|---|---------------------|------------|
| Research and design | 1 | 3.33 |
| Experimentation | 4 | 13.33 |
| Follow trends | 21 | 70 |
| Restock the same products | 2 | 6.67 |
| Follow trends & restock the same products | 1 | 3.33 |
| Others | 1 | 3.33 |
| Total | 30 | 100 |

Interpretation: The above table shows the innovative steps taken by the boutiques to develop the products. 3% of the boutiques research and design, 13% of the boutiques do experimentation, 70% of the boutiques follow trends, 6% of the boutiques restock the same products, 3% follow trends and re stock, and 3% others.

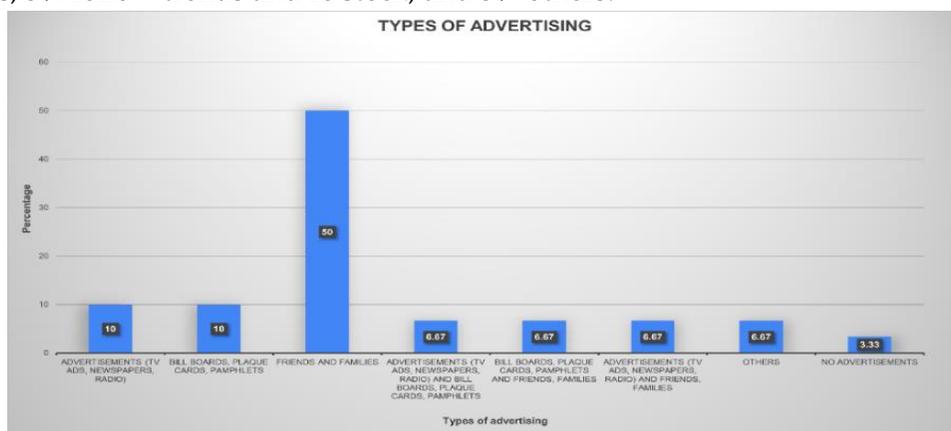


Diagram 4.1 Method of Advertising

Interpretation: The above diagram shows that shows that 50% of the boutique’s advertisement method is through friends & families (word of mouth) 10% of the boutiques through Tv ads, newspapers, 10% of the boutiques through billboards, plaque cards, pamphlets, 6% through advertisements, ads, pamphlets, bill boards & plaque cards. 6% of the boutiques through bill boards, plaque cards, pamphlets and friends, family. 6% of the boutiques through advertisements tv ads, newspapers, radio, friends, family. 6% of the boutiques- others.

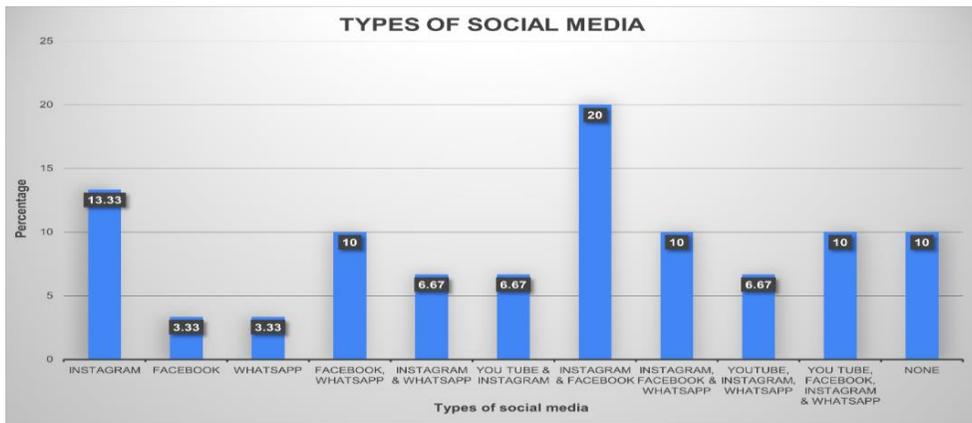


Diagram 4.2 Use of social media platform

Interpretation: The above diagram shows the type of social media used by various boutiques. 13% of the boutiques use Instagram, 3% of the boutiques use Facebook, 3% of the boutiques use WhatsApp, 10% of the boutiques use Facebook and WhatsApp, 6% of the boutiques use Instagram and WhatsApp, 6% of the boutiques use you tube and Instagram, 20% of the boutiques use Facebook and Instagram, 10% of the boutiques use Instagram, WhatsApp, and Facebook. 6% of the boutiques use you tube, Facebook, Instagram, WhatsApp.

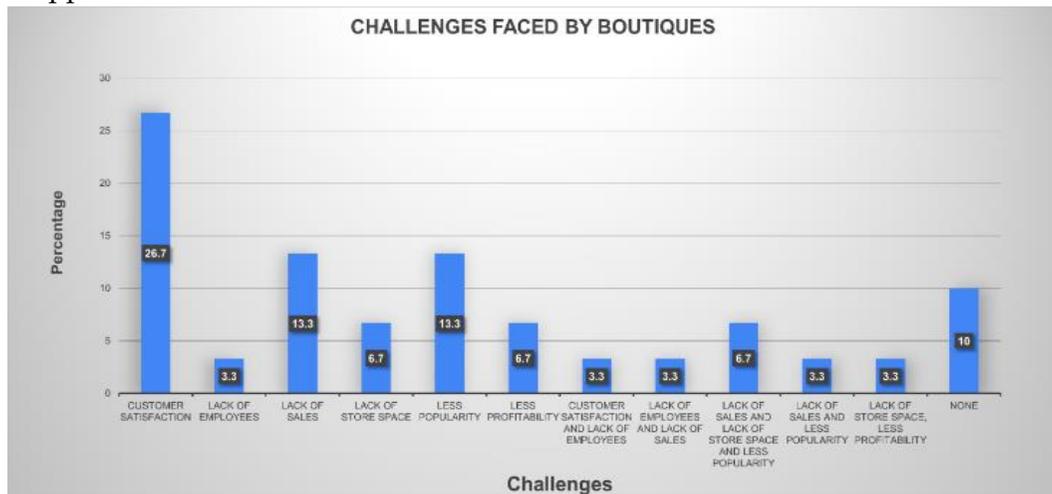


Diagram 4.3

Interpretation: The above diagram shows the various challenges faced by the boutique owners. 26% of the owners face customer's satisfaction, 3% of the owners believe lack of employees, 13% of the boutique owners face lack of sales, 6% of the owners face lack of store space, 13% of the owners face lack of store space, 13% of the boutique owners face less popularity, 6% of the boutique owners face less profitability, 3% of the owners face customer satisfaction and lack of sales, 3% of the owners face lack of employees and lack of sales, 6% of the owners face lack of sales, lack of store space & less popularity, 3% of the owners face lack of sales and less popularity, 10% of the boutique owners face none.

5. Findings

- According to the survey, majority of the boutiques do not use any kind of software for the design work. Only one boutique uses software to do the designing for their products.
- According to the survey, in majority of the boutiques, the innovative steps taken to develop products is to follow the trends in the market. Few boutiques go for experimentation and research and design.
- According to the survey, in majority of the boutiques, for understanding customer's tastes and preferences the salespersons personally ask questions to the customers that visit the store. In some boutiques, feedback and online reviews are used to understand the tastes and preferences of the customers.
- According to the survey, the challenge that majority of the boutiques face is satisfying their customers. Others face a mix of challenges ranging from lack of sales and lack of popularity to less profitability.

6. Suggestions:

6.1 Promotional strategies:

Social Media Marketing: Using social media platforms like Facebook, Instagram, and Twitter helps to promote products and services to a wider audience. Proper utilisation of social media allows customers to have more knowledge about the new products or promotions, and also engages with followers to enhance brand loyalty.

Email Marketing: Building a mailing list and making them to keep their customers informed about the offers and latest products. Personalization of emails with their customer's name, offering exclusive discounts to make them feel valued by fixing affordable price.

Influencer Marketing: Creating a Partnership with niche to reach wider audience which also generates more sales.

Referral Marketing: Offering some incentives to those customers who refer their neighbours, family and friends about the boutiques. The above-mentioned incentives can be in the form of discounts, free products, or credit (points based).

6.2 Product Development:

Customer Feedback: Collection of regular feedback from customers to understand their needs, taste and preference. With this feedback from them can help to do some innovative work in the existing products or developing new products that which fulfils their needs.

Trend Analysis: Tracking and aligning the products according to the market trend, creating some innovative designs according to the event can also make their attire to look elegant. This process will help boutique to stay ahead of the competitors and also helps to appeal the latest consumer demands.

Quality Control: Quality plays a major role among the customers by ensuring that the products of a particular boutique products are high in quality which meets the customers standards. This will help the Boutiques to build a positive reputation and also increases customers loyalty.

7. Conclusion

The Clothing Industry is changing swiftly and predominantly in Asian countries. The emerging boutique business is on the trending list. Though boutique works on developing new product designs or reworking on classic designs, promotional strategy helps gain interest among new customers. As the end result, boutiques in Madurai are flourishing and sustaining with the help of the most powerful tools customer satisfaction and word of mouth. Customers are loyal to the boutiques as they gain trust among people in Madurai by fulfilling their customer needs thus leading to promotion of the boutiques by spreading word of mouth. Satisfactory customer experience is the key aspect of any business. The major learning outcome of the study is that customer satisfaction leads to spread of word of mouth while leading to promotion of the boutique and customer loyalty etc. And also, social media can be the biggest attraction because people mostly get inspirations, ideas and opinions from there only.

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