

The Impact of Constituents Affecting Consumer Buying Behaviour of Gold Jewellery

Hanna Joseph, David T Easow

Abstract: *The fascination for Gold goes beyond realms, especially for the Indians; there is no doubt about it. They have mastered the art of purchasing gold mainly in the form of jewellery. Gold is considered as a valuable asset which can be used during periods of emergency, wedding purpose, mortgage for getting loan and many more. The racial and cultural life of Indians is very much related to gold jewellery. Gold is considered as the most effective way to plan for the future and manifesting one's social status and dignity. Even today, the sentimental value for gold jewellery is prevalent. The survey focuses on the impact of various constituents in the buying behaviour of consumers of gold jewellery. Based on the topic, the researcher has put forward certain suggestions catering to the needs of the industry as a whole. The Gems and Jewellery, the fastest growing sectors, plays a significant role in the Indian economy, contributing around 7 per cent of the country's GDP and 15.71 per cent to India's total merchandise exports. It also employs over 4.64 million workers, extremely export oriented and labour intensive. India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour.*

Index Terms: *Advertisement, Consumer Behaviour, Gold, Jewellery and Purchase decision.*

I. INTRODUCTION

Wirelessly Consumer behaviour is a complex discipline on how individuals make decisions to spend their time, money and effort on what to buy, when to buy, how to buy, where to buy, how often they should buy and how to evaluate their purchase to make future decisions and how they dispose of it. There are several reasons behind consumer buying behaviour of gold jewellery. Several factors influence consumer buying behaviour such as culture, demographic profile of the consumers, advertisements in various media etc., which are categorised as external factors. Another set of factors include attitude, perception, memory, personality, emotions etc. of the consumers categorised as internal factors and finally decision making factors which include Problem Recognition, Information Search, Evaluation of Alternatives, Purchase Decision, Post Purchase Behaviour. Therefore, it is important to understand the buying behaviour of consumers in gold jewellery sector which is very much relevant in the present scenario. For the Indians, gold is not just a commodity, but it occupies a significant position in our culture and heritage. Buying of Gold remains constant

always. Gold remains a strong draw for youth in India as it was for their parents and elders. As per world Gold Council's report, in 2015 India bought 663 tonnes of gold outstripping the US, West Asia and Europe combined.

Kerala is expected to do transactions worth 60 tonnes in the year 2017 out of the 650 tonnes to 750 tonnes of expected gold transactions in India. There will be a growth rate of 10% to 15 % in gold sales in the Onam and wedding season compared to previous year. The Demonetization imposed by Government as well as compulsory verification of PAN card of the customer who buys gold above 2 lakh Rupees, have slowed down the market in Kerala. But, the auspicious day to buy gold, Akshaya Tritiya saved the market with a rise in sales about 20% to 60% compared to Akshaya Tritiya season in 2016. The market witnessed the return of people towards gold investment after the slowdown.

In India, the highest gold transactions takes place in TamilNadu. It comes around 18% of the total sales in India. Whereas Kerala holds 8% to 9% of the total sales in India as observed by experts in the field. As per reports of World Gold Council, in the year 2017, a sales of 700 tonnes of gold is expected to take place in India. 8% to 9% of the figure comes to around 60 tonnes of gold in average, which is the expected transaction in Kerala in the year 2017.

Majority of the gold purchases are for weddings. Over half of the gold jewellery, coins and bars bought are for the 8million to 10 million weddings that take place each year. The Keralite stands in the first position regarding purchase of gold for wedding.

Gold is the most cherished and valued metal around the world. There are many factors which influence the consumers to buy gold jewellery. The analysis concentrates on the constituents which draws the consumers to purchase gold jewellery. Gold forms the most integral part of Indian culture since ancient days. Investment, ornamentation and gifts constitutes the three main utilities of buying gold jewellery. The scope of gold and gold jewellery is enormous. Everyday developments are happening in the field such as opening of new shops, renovation of existing shops, giving offers and schemes based on seasonal changes and festivals, celebrating Gold Day commonly known as Akshaya Tritiya, adorning body with gold jewellery as part of tradition, sentimental value or status symbol. Thus, the case throws light on the scope of gold and gold jewellery in shaping the culture and tapping it's potential from the point of view of buying behaviour of consumers.

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II. RELATED WORKS

Schiffman and Kanuk (2009) modified the concept by refining the initial structure by including purchase decision in the fourth stage and post purchase behaviour as the fifth stage. According to Schiffman and Kanuk, four models of consumers were identified to analyse consumer decision making such as economic view, passive view, cognitive view and emotional view. In the economic view otherwise called economic man theory, the consumers are characterised as making rational decisions whereas in the passive view, consumers are perceived as impulsive and irrational purchasers ready to yield to the aims and into the arms of marketers. Kulkanya Napompechet *al.*, (2010) studied the factors which influence the consumers regarding investment and savings of gold. He suggested that the government and private sector should keep track of the rise and fall of oil prices according to the fluctuations of gold prices and also to inform and update the consumers about the same to stimulate investments and savings. According to Belk and Zhou (1987), jewellery is considered as an indication of social status and according to Wallendorf and Arnould (1988), it is an expression of social connections established.

III. RESEARCH METHODOLOGY

For the research, primary data was collected using a structured questionnaire to elicit required information from the respondents. A sample of 100 respondents were selected using judgement sampling method. The analysis was conducted using percentage analysis and Garrett’s ranking method. Secondary data was collected from various journals, newspapers, magazines, internet etc. The research was conducted to tap the information regarding buying behaviour of consumers of gold jewellery and to analyse the constituents which motivate them to buy the same. An in-depth analysis of the various strategies used by jewellery shops is also taken into due consideration to arrive at the results.

IV. ANALYSIS AND INTERPRETATIONS

Table.1 Gender – wise classification

Gender	Frequency	Percentage
Female	69	69
Male	31	31
Total	100	100

Out of 100 respondents, 69 are classified under Female category and remaining 31 are classified under Male category. Since it is a research related to jewellery, the more number of female candidates are taken into consideration which comes to 69 percentages.

Table.2 Age-wise classification

Age (in years)	Frequency	Percentage
< 20 years	4	4
20 - 30 years	44	44
30 - 40 years	36	36
40 - 50 years	9	9
> 50 years	7	7
Total	100	100

In the survey, 4 percentage of respondents comes under the age group “< 20 years”, 44 percentage in the category “20 – 30 years”, 36 percentage under “30 – 40 years”, 9 percentage under “40 – 50 years” and finally 7 percentage under “> 50 years” age group.

Table.3 Education-wise classification

Education	Frequency	Percentage
Up to Matriculation	6	6
Diploma	7	7
Graduate	41	41
Post graduate	21	21
Professionally qualified	25	25
Total	100	100

When the respondents were classified according to their education level, 41 percentage belonged to the category of “Graduate” followed by the category “Professionally qualified” with 25 percentage, immediately followed by “Post graduate” with 21 percentage which is then followed by category ”Diploma” and “Upto Matriculation” with 7 percentage and 6 percentage respectively.

Table.4 Occupation-wise classification

Occupation	Frequency	Percentage
Self employed	19	19
Government	5	5
Private	46	46
Others	30	30
Total	100	100

Table.5 Income- wise classification



Income (in Rupees)	Frequency	Percentage
<50,000	12	12
50,000 – 100000	22	22
100001 – 500000	43	43
500001 – 1000000	15	15
> 1000000	8	8
Total	100	100

For Occupation – wise classification, 46 percentage belong to the category of “Private” followed by 30 percentage for category “Others”, which is then followed by “Self-employed” with 19 percentage and “Government” with 5 percentage.

When the respondents were classified based on Income, “>1000000” category is the least with 8 percentage; “< 50000” category with 12 percentage; “ 500001 – 1000000” category with 15 percentage; “ 50000 – 100000” category with 22 percentage and the highest category is with income level”100001 – 500000” which is 43 percentage.

Table.6 Influence of various media in consumer buying decision

Weightage Rank	7	6	5	4	3	2	1	Total weightage	Rank Assigned
Number of Respondents									
Television	33	26	19	16	3	2	1	560	1
Radio and FM	12	15	29	8	17	15	4	436	3
Cinema Theatre	19	9	15	6	7	30	14	383	4
Newspapers and Magazines	18	35	16	10	6	10	5	499	2
Hoardings	7	4	8	18	36	14	13	334	6
Internet/Social media	6	3	3	11	13	13	51	235	7
Recommended by others	5	8	10	31	18	16	12	355	5

The above table shows the influence of various media in consumer buying decision process. The consumers ranked Television as the most influential media followed by Newspapers and Magazines. Radio and FM occupies the third place in the influential media immediately followed by Cinema theatre. Word of mouth is the fifth influential media among the consumers followed by Hoardings with sixth rank. Internet/ Social media occupies the last position amongst the various media which influences the customers to buy gold jewellery. Therefore, the jewellers have to focus more on online marketing to tap the customers in this era of digital marketing.

Table.7 Influence of various factors in consumer buying decision

Weightage Rank	5	4	3	2	1	Total weightage	Rank Assigned
Number of Respondents							
Family members	26	35	10	16	13	345	1
Proximity of jewellery shop	10	7	46	13	24	266	5
Advertisements	11	21	14	39	15	274	4
Price fluctuations of gold in the market	34	20	4	20	22	324	2
Offers and schemes	19	17	26	12	26	291	3

When the customers were asked about the influence of various factors which affect their buying decision, majority of them chose family members as the most influential factor in their buying decision process regarding gold jewellery. The

next important factor was the price fluctuations of gold in the market due to various reasons in the economy. Offers and schemes ranked third among the factors which influence customers in gold jewellery purchase. The fourth important factor was advertisements of various jewellers which attracts the customers in buying decision of gold jewellery followed by proximity or distance of jewellery shop from the customer’s home town.

From the below table, it is clear that the main motive which influenced consumers to buy gold jewellery is investment followed by status symbol. It gives the consumers a feeling of self-esteem and pride. Giving away gold jewellery as gifts occupies the third position amongst the motives behind consumer buying decision of gold jewellery. Sentimental value or emotional attachment with buying and wearing gold jewellery ranks fourth place among the consumers. The fifth rank is occupied by wearing gold jewellery as a fashion accessory among the consumers. Therefore, in the modern era, buying gold jewellery is a wise choice of investment considering it as a safe haven among majority of consumers.

Table.8 Influence of motives behind consumer buying decision of gold jewellery

Weightage Rank	5	4	3	2	1	Total weightage	Rank Assigned
Number of Respondents							
Sentimental value	18	20	19	39	4	309	4
Fashion accessory	5	3	3	6	83	141	5
Gifts	22	18	37	17	5	335	3
Investment	35	42	19	20	5	361	1
Status symbol	20	38	21	18	3	354	2

Table.9 Influence of features of jewellery shop in buying decision of gold jewellery

Weightage Rank	5	4	3	2	1	Total weightage	Rank Assigned
Number of Respondents							
Discounts and offers	20	15	35	16	14	311	3
Rate tag on product	14	15	12	23	36	248	5
BIS 916 hallmarking and purity analyser facility	19	40	18	14	9	346	1
Good customer service	15	11	15	32	27	255	4
Zero making charges	32	19	20	15	14	340	2

From the table, it is seen that BIS 916 hallmarking and purity analyser facility is considered as the most important feature in jewellery by the customers. The next feature of prime importance for the customers is the zero making charges offered by various jewellery shops followed by discounts and offers given to the consumers during various seasons to promote buying of gold jewellery. It is seen that customers also give importance to the way they are treated in a jewellery shop which occupies the fourth place in the table. The last rank is occupied by rate tag on the product according to the survey conducted.

Table.10 Influence of various schemes in buying decision of gold jewellery



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Weightage	5	4	3	2	1	Total	Rank
Rank	1	2	3	4	5	weightage	Assigned
Number of Respondents							
Gold chitty	40	18	16	13	13	359	1
Exchange of old gold for new one	23	37	13	8	19	337	2
Advance booking facility	12	18	38	14	18	292	4
Instalment purchase scheme	20	17	22	38	3	313	3
Online purchase scheme	5	10	11	27	47	199	5

According to the survey, the most influential scheme for the customers is Gold chitty scheme. The second influential scheme for the buying decision of customers is exchange of old gold for new one followed by instalment purchase scheme for buying gold jewellery. Another important scheme which influences customers is the advance booking facility offered by the jewellery shop which occupies the fourth position and the last place is occupied by online purchase scheme which indicates that more tactics needed to be applied from the retailer side to influence the customers regarding buying decision of gold jewellery.

Table.11 Influence of factors for delay between purchase decision and actual purchase of gold jewellery

Weightage	5	4	3	2	1	Total	Rank
Rank	1	2	3	4	5	weightage	Assigned
Number of Respondents							
Demonetization	15	22	29	11	23	295	3
Goods and Service Tax(GST)	19	18	13	30	20	286	4
Financial constraints	20	32	25	16	7	342	1
Price fluctuations of gold	32	21	13	18	16	335	2
Less offers and discounts	14	22	29	11	23	242	5

The major delay between purchase decision and actual purchase of gold jewellery is the financial constraints faced by the consumers. The second factor which causes the delay between purchase decision and actual purchase is the price fluctuations of gold in the economy. Demonetization is the third important factor which causes delay between purchase decision and actual purchase of gold jewellery followed by Goods and Service Tax(GST) imposed by the Government. The lack of offers and discounts occupies the last position in the reasons among delay between purchase decision and actual purchase of gold jewellery.

V. CONCLUSION

The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 6-7 per cent of the country's GDP. It is the largest sector of India with Gross Value Added at current prices for Service Sector is 61.18 lakh crore INR as per 2014-15. One of the fastest growing sectors, it is extremely export oriented and labour intensive. India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. The Gems and Jewellery sector is witnessing changes in consumer preferences due to adoption of western lifestyle. Consumers are demanding new designs and varieties in jewellery, and branded jewellers are able to fulfil their changing demands better than the local unorganised players. Gold jewellery demand was worth US\$89 billion in 2015, and accounted for over half of global demand for gold. Aspiration to own and give gold in the form of jewellery

transcends generations and national boundaries. Three largest markets for gold jewellery, China, India, and the US, each accord it a unique cultural significance. Acquiring jewellery is connected to celebrations, relationships, self-expression, and hopes for the future in these countries. Jewellery accounts for largest single category of about 51 % of Global Gold demand. Global jewellery market contributes around 70 billion US\$ to Global GDP (Source: World Gold Council). Gold flows from miners - refiners and fabricators - retailers & consumers. Since 2010, India and China markets accounted more than 50% of World jewellery consumption. WGC focuses on Digital world - given higher priority for next generation seeking information according to David Lamb, MD, Jewellery World Gold Council.

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