

# A Descriptive Examination on the Influential Factors and Motives behind Buying Behaviour of Gold Jewellery

Hanna Joseph, David T Easow

**Abstract:** According to World Gold Council report (2015), outstripping the US, West Asia and Europe combined, India has bought 663 tonnes of gold. The country's demand for the metal was 666.1 tonnes in 2016 and it was 727 tonnes for 2017, but, it was observed that gold consumption in 2018 was between 700 and 800 tonnes. The trend shows that the demand for gold has increased over the years. Majority of the gold purchases are for weddings. Over half of the gold jewellery, coins and bars bought are for the 8 million to 10 million weddings that take place each year. The analysis mainly focuses on the identification of various influential factors and motives behind purchase of gold jewellery. A descriptive analysis of the influential factors and the reasons for buying gold are conducted which throws light to the major areas to be focused by jewellery retailers to capitalise and satisfy the requirements of the consumers. The primary data was collected using a structured questionnaire from the consumers of gold jewellery. The survey was conducted in the state of Kerala, India which adopted Descriptive research methodology and the sample size was chosen as 665. The reliability and validity of the questionnaire was tested using Cronbach's Alpha test which yielded satisfactory results. The investigation revealed the major influential factors and the motives which the customer finds most relevant in buying of gold jewellery.

**Index Terms:** Advertisement, Gifts, Gold, Investment, Jewellery and Ornaments.

## I. INTRODUCTION

Wirelessly India's Gems and Jewellery sector contributes about 29 per cent to the global consumption of jewellery which highlights the importance of the sector in the world business. In 2017, India was the second largest consumer of gold in the world. The rise in the income of middle class people has mainly contributed to the development of sector. The domestic companies are in the process of expansion leading to the advancement of the sector. The Reserve Bank of India (RBI) raised the scope and importance of gold monetisation schemes by allowing charitable institutions and government entities to deposit gold in 2018. Also, the Bureau of Indian Standards (BIS) has revised the standard on gold hallmarking in India to include a BIS mark, purity in carat and fitness as well as the unit's identification and the jeweller's identification mark on gold jewellery. The move was aimed to ensure quality of gold jewellery. All these

factors highlights the importance of gold transactions and thus the importance of the analysis.

The jewellery shops in Kerala did transactions worth of 60 tonnes for the year 2017 out of the 650 tonnes to 750 tonnes of gold transactions in India. There was a growth rate of 10 per cent to 15 per cent in gold sales during the Onam festival and wedding season compared to 2016. In 2017, the Demonetisation 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. In the modern era, whatever be the changing trends in wedding, gold has its own remarkable place. The gold ornaments attract people in various designs. Gold ornaments are inevitable factors in wedding occasions whether they are heavy or light. Minimalism is the most important factor in modern weddings. As per World Gold Council report, 50 to 55 per cent of the jewellery consumption in India is for bridal purpose, 35 to 40 per cent is for daily wear and 5 to 10 per cent is for fashion. In the Indian Jewellery market, 70% of share is occupied by independent and mid-size retailers. Regional players hold a market share of 23% whereas National chains hold 7% of the jewellery market. About 30% of the market occupied by regional and national chains are growing in popularity.

## II. RELATED WORKS

Jayanthi *et al.* (2014), says that Gold is an important form of investment which is more than just an asset. People prefer physical gold over paper gold for traditional and prestigious value. Promotion is an important component of marketing mix which enhances awareness, interest, brand image and also boost sales (Foret *et al.*, 2005). Kimmel (2005) referred marketing communication as the most appropriate way to reach the target audience in order to engage them in various processes. According to Godbole and Arekar (2015), people search for market information regarding gold in addition to the opinions of friends and family before making investment decisions. Individuals buy and use luxury goods to enhance their image, identity and also to gain higher social position. (Penz and Stottinger, 2005).

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**Hanna Joseph**, Research Scholar, School of Management, Hindustan Institute of Technology and Science, Chennai, India.

**David T Easow**, Deputy Director, School of Management, Hindustan Institute of Technology and Science, Chennai, India.



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People prefer to buy gold from those jewellers whom they trust and have a cordial relationship with. Also, income plays a major role in buying of gold jewellery. (Soni and Gulati, 2016). Consumer purchasing behavior can be influenced by the communication messages transmitted through the channels of communication such as advertising by mass-media, sales promotion, direct marketing, public relations and online marketing (Gopalakrishna and Chatterjee, 2006).

### III. ANALYSIS AND INTERPRETATION

In the proposed work, the descriptive statistics of the ten constructs chosen for this investigation are presented. Each table shows the frequency distribution, mean and standard deviation for each variable. The mean and standard deviation of the construct are also presented in each table. The analysis identified twelve major factors such as family members, friends and relatives, advertisements, offers and schemes, marketing agents, purity of gold, variety of designs, distance, popularity, auspicious days, price fluctuations and GST. To elicit information about the influence of these factors the respondents were asked to choose a number between 1 to 5 on a Likert scale ranging from strongly disagree, disagree, neutral, agree and strongly agree.

Table.1 Factors influenced for the purchase of gold ornaments

Factors	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Item Mean	Item SD
Family Members	Frequency	5	21	75	312	252	665	4.180 0.808
	Percentage	0.8	3.2	11.3	46.9	37.9	100	
Friends And Relatives	Frequency	31	106	122	341	65	665	3.456 1.021
	Percentage	4.7	15.9	18.3	51.3	9.8	100	
Advertisements	Frequency	41	198	138	176	112	665	3.180 1.205
	Percentage	6.2	29.8	20.8	26.5	16.8	100	
Offers And Schemes	Frequency	17	37	149	379	83	665	3.713 0.848
	Percentage	2.6	5.6	22.4	57	12.5	100	
Marketing Agents	Frequency	128	336	83	99	19	665	2.316 1.035
	Percentage	19.2	50.5	12.5	14.9	2.9	100	
Purity of Gold	Frequency	13	17	211	297	127	665	3.764 0.855
	Percentage	2	2.6	31.7	44.7	19.1	100	
Variety of Designs	Frequency	8	32	213	301	11	665	3.714 0.841
	Percentage	1.2	4.8	32	45.3	1.7	100	
Distance Or Closeness of the jewellery shop from your home	Frequency	108	221	168	124	44	665	2.662 1.149
	Percentage	16.2	33.2	25.3	18.6	6.6	100	
Popularity of the jewellery shop	Frequency	25	86	316	166	72	665	3.262 0.946
	Percentage	3.8	12.9	47.5	25	10.8	100	
Auspicious days to buy gold like Akshaya Tritiya	Frequency	233	231	73	83	45	665	2.212 1.235
	Percentage	35	34	11	12.5	6.8	100	
Price fluctuations of Gold in the market	Frequency	12	49	109	215	280	665	4.056 1.020
	Percentage	1.8	7.4	16.4	32.3	42.1	100	
Effect of Goods And Service Tax (GST)	Frequency	26	63	417	119	40	665	3.126 0.809
	Percentage	3.9	9.5	62.7	17.9	6	100	
Construct Mean							3.303	
Construct S.D							0.992	

The results show that 46.9 % of the respondents agreed on the statement that they are influenced by family members and 37.9 % of the respondents are strongly agreed. The item mean value of the response is 4.18 which suggests that majority of respondents are influenced by their family members. Among the influential factors offers and schemes and variety of designs have an item mean of 3.713 and 3.714

respectively. Price fluctuations and purity of gold are also influential factors in the consumer buying decision which is evident from the item mean of 4.056 and 3.764 respectively. Out of the twelve statements to identify the influential factors that determine the buying decisions the total construct mean is 3.303 and construct standard deviation is 0.992, which suggest that it is above the mid value and suggest that the respondents have positive influence on these statements. Effect of Goods And Service Tax (GST) shows that 62.7% of the respondents said it got only a neutral impact with a mean value 3.126 and a standard deviation 0.809 which shows the rest of the response doesn't deviates much from the mean. This shows that the responses are fairly close.

Table.2 Motives behind buying gold jewellery

Factors	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Item Mean	Item SD
Sentimental value	Frequency	30	52	210	314	59	665	3.481 0.924
	Percentage	4.5	7.8	31.6	47.2	8.9	100	
Gifts	Frequency	7	8	62	364	224	665	4.188 0.733
	Percentage	1.1	1.2	9.3	54.7	33.7	100	
Religious purposes	Frequency	19	74	360	167	45	665	3.218 0.837
	Percentage	2.9	11.1	54.1	25.1	6.8	100	
Special occasions	Frequency	5	6	47	229	378	665	4.457 0.731
	Percentage	0.8	0.9	7.1	34.4	56.8	100	
Investment purpose	Frequency	12	14	90	193	356	665	4.304 0.909
	Percentage	1.8	2.1	13.5	29.0	53.5	100	
Emergency purpose	Frequency	27	62	244	259	73	665	3.435 0.946
	Percentage	4.1	9.3	36.7	38.9	11	100	
Traditional value	Frequency	24	84	208	236	113	665	3.496 1.029
	Percentage	3.6	12.6	31.3	35.5	17	100	
To satisfy myself	Frequency	48	103	171	123	220	665	3.547 1.286
	Percentage	7.2	15.5	25.7	18.5	34	100	
To be admired and respected	Frequency	50	136	211	133	135	665	3.251 1.206
	Percentage	7.5	20.5	31.7	20.0	20.3	100	
To make a good first impression	Frequency	70	232	258	68	37	665	2.654 0.988
	Percentage	10.5	34.9	38.8	10.2	5.6	100	
To look myself better and beautiful	Frequency	61	214	271	84	35	665	2.726 0.975
	Percentage	9.2	32.2	40.8	12.6	5.3	100	
As a status symbol	Frequency	49	112	213	158	133	665	3.322 1.182
	Percentage	7.4	16.8	32.0	23.8	20.0	100	
As a fashion accessory	Frequency	25	19	193	346	82	665	3.663 0.868
	Percentage	3.8	2.9	29.0	52.0	12.3	100	
Construct Mean							3.318	
Construct S.D							0.994	

This table reports the descriptive statistics for the construct of factors influencing the various reasons for the purchase of gold ornaments. This construct consists of thirteen statements. The results show that 47.2 % of the respondents agreed on the statement that they are influenced by sentimental value and 31.6 % of the respondents are neutral. The item mean value and the standard deviation of the response is 3.481 and 0.924 which suggests that majority of respondents are influenced by the sentimental value. Among the influential factors gifts and special occasions have an item mean of 4.188 and 4.457 respectively. Of which 54.7% agreed and 33.7% strongly agreed that gift is an influential factor among the various reasons for buying gold ornaments. Likewise 34.4% agreed and 56.8% strongly agreed that special occasions is another strong influential factor among the various reasons for buying gold ornaments, whereas the mean value of religious purposes is 3.218. Among other reasons for buying gold ornaments investment purpose holds a mean value of 4.304 and 29.0% of the respondents agreed and 53.5% strongly agreed that it is a valid reason for the same. Other important factors among the reasons for buying gold ornaments are emergency purpose, traditional value,



to satisfy oneself, as a fashion accessory, to be admired and respected, as a status symbol all of which are holding an item mean around the construct mean value of 3.518. Out of the thirteen statements to identify the influential factors that determine the various reasons for buying gold ornaments to look oneself better and beautiful and to make a good first impression have an item mean of 2.726 and 2.654 respectively which is quite low while comparing to the total construct mean 3.518 and construct standard deviation 0.984, which suggest that it is very much below the mid value and suggest that these items doesn't hold much regard among the other constructs and so these statements does not influence much.

Table.3 Factors influenced to choose jewellery shop

Factors		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Item Mean	Item SD
Discounts and offers	Frequency	10	16	38	375	226	665	4.189	0.770
	Percentage	1.5	2.4	5.7	56.4	34	100		
Gifts and coupons	Frequency	16	21	78	422	128	665	3.940	0.806
	Percentage	2.4	3.2	11.7	63.3	19.2	100		
Rate tag on the product	Frequency	12	14	237	303	99	665	3.696	0.812
	Percentage	1.8	2.1	35.6	45.6	14.9	100		
Zero making charges	Frequency	10	12	34	120	489	665	4.603	0.794
	Percentage	1.5	1.8	5.1	18.0	73.5	100		
No wastage	Frequency	9	11	47	124	474	665	4.568	0.805
	Percentage	1.4	1.7	7.1	18.6	71.3	100		
Hall marking and purity analyzer	Frequency	3	8	23	109	322	665	4.713	0.633
	Percentage	.5	1.2	3.5	16.4	78.5	100		
Attractive display of jewellery	Frequency	7	28	75	411	144	665	3.988	0.770
	Percentage	1.1	4.2	11.3	61.3	21.7	100		
Actual billing	Frequency	4	8	183	346	124	665	3.869	0.740
	Percentage	.6	1.2	27.5	52.0	18.6	100		
Warranty facility	Frequency	7	8	30	340	260	665	4.260	0.736
	Percentage	1.1	1.2	4.5	51.1	39.1	100		
Good ambience	Frequency	6	19	66	336	218	665	4.144	0.776
	Percentage	.9	2.9	9.9	50.5	32.3	100		
Good customer service	Frequency	3	11	28	295	308	665	4.405	0.692
	Percentage	.5	1.7	4.2	44.4	49.3	100		
Parking facility	Frequency	8	24	43	200	390	665	4.414	0.856
	Percentage	1.2	3.6	6.5	30.1	58.6	100		
Customized services in jewellery making	Frequency	10	14	83	338	220	665	4.119	0.813
	Percentage	1.5	2.1	12.5	50.8	33.1	100		
After sales service facility	Frequency	9	9	60	374	213	665	4.162	0.749
	Percentage	1.4	1.4	9.0	56.2	32.0	100		
Brand name of the jewellery shop	Frequency	7	30	197	277	154	665	3.814	0.877
	Percentage	1.1	4.5	29.6	41.7	23.2	100		
Public relationship	Frequency	9	18	123	333	185	665	3.977	0.803
	Percentage	1.4	2.8	18.5	50.1	27.8	100		
Emotional sentiments with jewellery shop	Frequency	44	112	259	176	74	665	3.186	1.053
	Percentage	6.6	16.8	38.9	26.5	11.1	100		
Construct Mean		4.120							
Construct S.D		0.797							

The results show that 56.4 % of the respondents agreed and 34.0% of the respondents are strongly agreed on the statement that they are influenced by discounts and offers as a valid factor that is influential in the choice of a particular jewellery shop. The item mean value and the standard deviation of the response is 4.189 and 0.770 which suggests that majority of respondents are influenced by the discounts and offers as a factor that influence the choice of particular jewellery shop. Also the results show that 18.0 % of the respondents agreed and 73.5% of the respondents are strongly agreed on the statement that they are influenced by zero making charges as a valid factor that is influential in the choice of a particular jewellery shop. The item mean value and the standard deviation of the response is 4.603 and 0.794 which suggests that majority of respondents are influenced by the zero making charges as a factor that influence the

choice of particular jewellery shop. Other results show that 18.6% of the respondents agreed and 71.3% of the respondents are strongly agreed on the statement that they are influenced by no wastage as a valid factor that is influential in the choice of a particular jewellery shop. The item mean value and the standard deviation of the response is 4.568 and 0.805 which suggests that majority of respondents are influenced by the zero making charges as a factor that influence the choice of particular jewellery shop. Among the influential factors hall marking and purity analyzer, warranty facility and good ambience have an item mean of 4.713, 4.260 and 4.144 respectively. Of which 16.4% agreed and 78.5 % strongly agreed that hall marking and purity analyzer is an influential factor among the other construct that influence the choice of particular jewellery shop. Likewise 51.1% agreed and 39.1% strongly agreed that warranty facility is another strong influential factor among the other construct that influence the choice of particular jewellery shop. Likewise 53.5% agreed and 32.8% strongly agreed those good ambience is an influential factor among the other construct that influence the choice of particular jewellery shop whereas the construct mean value is 4.120. Among the influential factors good customer service and parking facility, customized services in jewellery making and after sales service facility have an item mean of 4.405, 4.414, 4.119 and 4.162 respectively. Of which 44.4% agreed and 49.3% strongly agreed that good customer service is an influential factor among the other construct that influence the choice of particular jewellery shop. Likewise 30.1% agreed and 58.6% strongly agreed that parking facility is another strong influential factor among the other construct that influence the choice of particular jewellery shop. Likewise 50.8% agreed and 33.1% strongly agreed those customized services in jewellery making is an influential factor among the other construct that influence the choice of particular jewellery shop. Likewise 56.2% agreed and 32.0% strongly agreed that after sales service facility is another strong influential factor among the other construct that influence the choice of particular jewellery shop whereas the construct mean value is 4.120. Among the construct items as factors that influence the choice of a particular jewellery shop items such as gifts and coupons, rate tag on the product, attractive display of jewellery, actual billing, brand name of the jewellery shop and public relationship were all of which are holding an item mean less than the construct mean value of 4.120 but is somewhere near to it which suggest that these items does hold some regard among the other constructs and thus these statements are influential to that extent among other statements in the construct. Emotional sentiments with jewellery shop were all of which are holding an item mean very much less than the construct mean value of 4.120 which suggest that these item doesn't hold much regard among the other constructs and thus these statements are not at all influential to that extent among other statements in the construct. Factor one can be called as 'Closeness', factor 2 can be called as 'Decision Making' and factor 3 can be called as 'Symbolism', as a whole the variable of discussion is revolving around the idea of decision making matrix.





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The Gold jewellery retailers should focus on these factors while launching a campaign to increase the sales of the gold since the decision making matrix is an important element in the dynamics of purchase.

Table.4 Influential Factors in the Gold Purchase Decision

FACTOR	STATEMENTS	FACTOR LOADING
Closeness	Auspicious Days to Buy Gold Like Akshaya Tritiya	.874
	Marketing Agents	.796
	Distance Or Closeness of the Jewellery Shop From Your Home	.774
	Effect of Goods And Service Tax(GST)	.546
	Popularity of the Jewellery Shop	.524
Decision making	Friends And Relatives	.741
	Family Members	.696
	Price Fluctuations of Gold in the Market	.692
	Advertisements	.572
	Offers And Schemes	.503
Symbolism	Purity of Gold	.850
	Variety of Designs	.789

Table.5 Various reasons for buying gold ornaments

FACTOR	STATEMENTS	FACTOR LOADING
Personality and Self-efficacy	To Satisfy Myself	.803
	To be Admired And Respected	.739
	Traditional value	.733
	As a status symbol	.693
	Sentimental value	.539
	Investment purpose	.524
	Emergency purpose	.508
Gifts/Occasions	Religious purpose	.749
	Gifts	.723
	Special occasions like wedding and birthday	.617
	As a fashion accessory	.541
Self Image/Self Adornment	To look oneself better and beautiful	.893
	To make a good first impression	.868

Factor one can be called as 'Personality and Self Efficacy', factor 2 can be called as 'Gifts/Occasions' and factor 3 can be called as 'Self Image/Self Adornment', as a whole the variable of discussion is revolving around the idea of causal factors matrix in the dynamics of purchase of gold. The Gold jewellery retailers should focus on these factors while launching a campaign to increase the sales of the gold since the causal factors matrix is an important element in the dynamics of purchase.

Table.6 Choice of jewellery shop via sales promotion

FACTOR	STATEMENTS	FACTOR LOADING
Patronizing	Parking Facility	.783
	Hall Marking And Purity Analyser	.749
	Good Ambience	.687
	No Wastages	.671
	Zero Making Charges	.644
	Good Customer Service	.630
	Warranty Facility	.597
	Customised Services in Jewellery Making	.575
	Attractive Display of Jewellery	.560
Conformance	Public Relationship	.738
	Emotional Sentiment With Jewellery Shop	.720
	Brand Name of The Jewellery Shop	.701
	Actual Billing	.622
	After Sales Service Facility	.544
Liquidating	Discount And Offers	.774
	Gifts And Coupons	.771
	Rate Tag On The Product	.653

As a whole the variable of discussion is revolving around the idea of sales promotion matrix. The Gold jewellery retailers should focus on these factors while launching a campaign to increase the sales of the gold since the sales promotion matrix is an important element in the dynamics of gold sales.

## IV. CONCLUSION

A descriptive analysis of the influential factors as well as the motives behind buying of gold jewellery was carried out and certain findings were obtained. The factor analysis conducted loaded the factors which definitely plays a major role in understanding the buying behaviour of consumers regarding gold jewellery. The item mean value of the response suggests that majority of respondents are influenced by their family members. Among the influential factors offers and schemes and variety of designs also influence the buying behaviour of consumers. Price fluctuations and purity of gold are important influential factors in the consumer buying decision which is evident from the item mean of 4.056 and 3.764 respectively. Also majority of the respondents strongly agreed that gifts and special occasions motivates and influences them in buying of gold jewellery.

The items mean value and the standard deviation of the response 4.189 and 0.770 suggests that majority of respondents are influenced by the discounts and offers as a factor that influence the choice of particular jewellery shop. Also the results show that 18.0 % of the respondents agreed and 73.5% of the respondents are strongly agreed on the statement that they are influenced by zero making charges as a valid factor that is influential in the choice of a particular jewellery shop. The item mean value and the standard deviation suggests that majority of respondents are influenced by the zero making charges as a factor that influence the choice of particular jewellery shop.



Hall marking and purity analyzer facility also acts as an influential factor that influence the choice of particular jewellery shop. Another major finding was that, parking facility in the jewellery shop influenced the customers in the choice of a jewellery shop which adds a new dimension to be considered by the jewellery retailers as per the findings of the case.

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