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C. Gomathy

Head of the Department,
Department of B.Com (AM)
PSGR Krishnammal College
for Women, Coimbatore.

N. Yesodha Devi

Former Principal, PSGR
Krishnammal College for
Women, Coimbatore.

Consumer behaviour in purchase of Gold Jewellery – An analytical study

C. Gomathy, N. Yesodha Devi

Abstract

The gold market in India is predominantly a market for buying and selling physical gold and gold in the form of ornaments. Gold in India serves many functions and wearing it, has several implications. It is considered as a status symbol. India is considered to be the fastest growing market in the world for gold jewellery. It is valued in India as a savings and investment vehicle and is the second preferred investment option after deposits and mutual funds. Hence, this study deals with the purchase behaviour of jewellery buyers in Coimbatore city. The results of the study reveal that, consumers have purchased gold jewellery for the purpose of investment. Design has been considered as an important factor influencing the consumers purchase decision followed by purity.

Keywords: Consumer, Behaviour, Gold Jewellery, Purchase

Introduction

The gold market in India is predominantly a market for buying and selling physical gold and gold in the form of ornaments. Gold in India serves many functions and wearing it, has several implications. It is considered as a status symbol. India is considered to be the fastest growing market in the world for gold jewellery. It is valued in India as a savings and investment vehicle and is the second preferred investment option after deposits and mutual funds. Its consumption is much higher in India than in other countries. Consumer buying behaviour has changed dramatically in the past few years and they are being influenced by family, friends, reference groups and society in general. Indian consumers are becoming more aware and quality conscious. Understanding the consumers is not an easy task as it is very difficult to infer what is going on in consumers mind. Hence, this study deals with the purchase behaviour of jewellery buyers in Coimbatore city.

Objectives of the Study

- To find out the consumers behaviour on purchase of gold jewellery
- To compare the relationship between demographic variable and consumer behaviour

Methodology

To undertake this study, a sample of 400 gold jewellery consumers from Coimbatore city have been selected by applying random sampling technique. A structured questionnaire has been administered to the consumers and primary data have been collected. Simple percentage analysis, Chi square test and Descriptive statistics have been used to analyze the primary data. Secondary data have been collected from journals, magazines, websites and books.

Results and Discussions

Demographic Profile of Gold Jewellery Consumers

The demographic profile of gold jewellery consumers has been presented in the following Table.

Correspondence:

C. Gomathy

Head of the Department,
Department of B.Com (AM)
PSGR Krishnammal College
for Women, Coimbatore.

Table 1: Demographic Profile of the Consumers

Factors		No. of Consumers	Per cent
Gender	Male	81	20.2
	Female	319	79.8
Age (in years)	Less than 25	46	11.4
	26-35	76	19.0
	36-45	159	39.8
	46-55	100	25.0
	Above 55	19	4.8
Marital status	Married	347	86.8
	Unmarried	53	13.2
Educational Qualification	No formal education	20	5.0
	School level	159	39.8
	College level	126	31.4
	Professional	95	23.8
Occupational Status	Agriculture	26	6.5
	Professional	60	15.0
	Salaried	109	27.2
	Business	67	16.8
	Unemployed	138	34.5
Monthly Family Income (Rs.)	Less than 25000	171	42.8
	25001 – 50000	129	32.2
	50001 -75000	59	14.8
	75001 and above	41	10.2
Monthly Savings (Rs.)	Less than 5000	232	58.0
	5001 – 10000	106	26.5
	Above 10000	62	15.5
TOTAL		400	100.0

Source: Primary data

The above table indicates the general profile of the 400 consumers who have purchased gold jewellery. About 79.8 % of the respondents are female, 39.8 % of the respondents are between 36-45 years of age, 86.8 % of them are married, 39.8 % of them are educated upto school level, 34.5% of them are unemployed. 42.8% of the consumers earn less than Rs. 25,000 and save less than Rs.5,000 for a month.

Type of jewellery and stone

Table 2: Type of Jewellery and Stone

Type of Jewellery and Stone	Factors	No. of Consumers	Per cent
Type of Jewellery	Plain Gold	203	50.8
	Gold with stone studded	36	9.0
	Both	161	40.2
Preference of Stone –Multiple Response	Pearl	61	31.0
	Coral	9	4.6
	Ruby	36	18.3
	Emerald	40	20.3
	Other semi-precious stones	74	37.6

Source: Primary data

The above table reveals that, most of the consumers prefer plain gold (50.8%) and 40.2 per cent of the consumer prefer both plain gold and gold studded with stone.

Among the consumers who prefer gold with stone studded, 37.6 per cent of the consumers prefer other semi precious stones and 31 per cent of the consumer prefer pearl.

Factors Influencing to Purchase Gold Jewellery

Table 3: Influencing Factors – Multiple Responses

Factors		No. of consumers	per cent
Purpose	Investment	318	79.5
	Fashion	82	20.5
	Gift	30	7.5
Influencing Factors	Disposable income	57	14.6
	Easy finance	86	22.1
	Past experience	18	4.6
	Necessity	141	36.2
	Comfort wearing	72	18.5
	Social status	57	14.6
	Customized jewelers	14	3.6
	When ever gold price falls	108	27.7

Source: Primary data

The above table reveals that, majority of the consumers purchase gold jewellery for the purpose of investment and necessity is the main factor influencing them to purchase gold jewellery.

Occasion and Kind of Design

The below table explains about the frequency of purchase of gold jewellery, special occasion for which jewellery is purchased and kind of design the consumers like to buy.

Table 4: Occasions and Kind of Design – Multiple Responses

Factors		No. of consumers	Per cent
Frequency of Purchase	Whenever I feel	81	20.3
	Once in a year	59	14.8
	Whenever need arises	148	37.0
	Special occasions	112	28.0
Special Occasions	Birth day	5	6.8
	Marriage	39	52.7
	Festival	6	8.1
	Akshayathrithiyai	28	37.8
	Anniversary	4	5.4
	Others	7	9.5
Prefer to Buy	Readymade ornaments	180	45.0
	Place an order	75	18.8
	Both	145	36.3
Kind of Design	Traditional Indian	206	51.5
	Classic western	67	16.8
	Fashion	137	34.3
	Antique	41	10.3

Source: Primary data

Table 4 reveals that, 37 per cent of the consumer purchase gold jewellery whenever need arises, 45 per cent of the consumers like to purchase readymade ornaments and 51.5 per cent of the consumers purchase traditional Indian jewellery.

Demographic Factors and Frequency of Jewellery Purchase

Chi square test is applied to find the significant association between frequency of jewellery purchase and Demographic factors

H₀₁: “There is no significant association between Demographic Factors and frequency of gold jewellery purchase”

Table 5: Demographic Factors and Frequency of Jewellery Purchase

Demographic Factors		Frequency of Purchase								TOTAL		Sig.
		Whenever I feel		Once in a year		Whenever need arises		Special occasions		Table value	chi square value	
		No.	%	No.	%	No.	%	No.	%			
Gender	Male	14	17.3	15	18.5	25	30.9	27	33.3	7.815	3.484	NS
	Female	67	21.0	44	13.8	123	38.6	85	26.6			
Age	<=25 yrs	5	10.9	7	15.2	23	50.0	11	23.9	21.026	17.381	NS
	26-35 yrs	19	25.0	10	13.2	33	43.4	14	18.4			
	36-45 yrs	27	17.0	24	15.1	57	35.8	51	32.1			
	46-55 yrs	23	23.0	14	14.0	32	32.0	31	31.0			
	Above 55 yrs	7	36.8	4	21.1	3	15.8	5	26.3			
Marital status	Married		21.6	51	14.7	123	35.4	98	28.2	7.815	4.173	NS
	Unmarried	6	11.3	8	15.1	25	47.2	14	26.4			
Educational qualification	No formal education	4	20.0	1	5.0	8	40.0	7	35.0	16.919	11.527	NS
	School level	28	17.6	31	19.5	55	34.6	45	28.3			
	College level	23	18.3	17	13.5	46	36.5	40	31.7			
	Professional	26	27.4	10	10.5	39	41.1	20	21.1			
Occupational status	Agriculture	3	11.5	5	19.2	6	23.1	12	46.2	26.217	30.880	**
	Professional	9	15.0	7	11.7	24	40.0	20	33.3			
	Salaried	36	33.0	13	11.9	33	30.3	27	24.8			
	Business	17	25.4	13	19.4	20	29.9	17	25.4			
	Unemployed	16	11.6	21	15.2	65	47.1	36	26.1			
Monthly Family Income (Rs.)	Less than 25000	23	13.5	31	18.1	55	32.2	62	36.3	21.666	27.640	**
	25001 – 50000	30	23.3	16	12.4	50	38.8	33	25.6			
	50001 -75000	12	20.3	8	13.6	30	50.8	9	15.3			
	75001 and above	16	39.0	4	9.8	13	31.7	8	19.5			
Monthly Savings (Rs.)	Less than 5000	42	18.1	33	14.2	78	33.6	79	34.1	12.592	15.328	*
	5001 – 10000	20	18.9	18	17.0	49	46.2	19	17.9			
	Above 10000	19	30.6	8	12.9	21	33.9	14	22.6			

Source: Computed NS- Not significant *- Significant at 5 % **- Significant at 1%

Chi square test reveals that, there is no significant association between gender, age, marital status, educational qualification with frequency of jewellery purchase and there is significant association between occupational status, monthly income and monthly savings with frequency of purchase.

Purchase Behaviour of the Consumers

Consumers have been asked to rate their level of agreement regarding the statements relating to purchase of jewellery.

These statements reflect the purchase behaviour of the consumers. The consumers have been asked to express their opinion on a five point likert scale given as Strongly Agree to Strongly Disagree. The ratings were assigned as Strongly Agree – 5, Agree – 4 etc. to Strongly Disagree – 1 for all the statements. These ratings indicate that, higher the rating more is the level of agreement. Mean ratings are found out for each items and are displayed in the following table.

Table 4.36: Descriptive Statistics - Purchase Behaviour of Consumers

Statements	N	Minimum	Maximum	Mean	S.D
I buy jewellery even when there is an increase in price	400	1.00	5.00	3.0550	1.2291
I prefer to buy jewels because it is easy to sell in case of emergency	400	1.00	5.00	3.8350	.9618
I always love to go for buying jewels	400	1.00	5.00	3.5800	1.0277
I have strong interest in jewellery	400	1.00	5.00	3.5325	1.0328
I like self-selection while shopping	400	1.00	5.00	3.5750	1.1347
I believe high price means high quality	400	1.00	5.00	2.9175	1.1955
I always purchase what my friends/relatives purchase	400	1.00	5.00	2.6400	1.2667
I like to suggest the shops for my friends	400	1.00	5.00	3.5175	1.0404
Using jewellery helps me expressing personality	400	1.00	5.00	3.4775	1.0110
I prefer to purchase jewellery, when offered with free gifts	400	1.00	5.00	3.1200	1.1017
Promotional offers do not influence me in purchase of jewellery	400	1.00	5.00	3.3700	1.0516
I buy jewels only during "special sale" or "festive seasons"	400	1.00	5.00	3.2175	1.0785
Location of the shop is more important than the products for me.	400	1.00	5.00	3.1100	1.1516
I don't mind coming to the shop which is located far away from my home	400	1.00	5.00	3.4150	1.1318
I would always prefer to go for buying jewels in shops with large space.	400	1.00	5.00	3.3350	1.1296
I usually do lot of comparing prices when I go for shopping jewels	400	1.00	5.00	3.5550	.9997
I will always buy jewels from a particular shop only	400	1.00	5.00	3.5950	1.0386
I enjoy taking chances in buying jewels from unfamiliar shops	400	1.00	5.00	2.9525	1.1974
Display of product in store attracts me to buy jewellery	400	1.00	5.00	3.1725	1.2068
The showroom 's advertisement encourages me to visit the store	400	1.00	5.00	3.3050	1.0582
Advertisement for the store room gives all the information about the jewellery	400	1.00	5.00	3.3525	1.0845
The celebrity used in the advertisement makes me buying the product	400	1.00	5.00	2.9950	1.2881

Source: Computed

The above table shows that, consumers purchase jewellery because it is easy to sell in case of emergency (highest mean rating 3.835) followed by their preference to purchase from a particular shop. The lowest mean rating is given by the consumers for their opinion on high price means high quality. Hence, it is inferred that, most of the consumers purchase gold jewellery because it helps them at the time of emergency.

Conclusion

In India, gold always has been preferred more than just a precious metal. It is part of our culture and an inseparable part of our belief system. The study has concluded that, most of the consumers are female as jewellery is mainly preferred and worn by women consumers. Consumers have purchased gold jewellery for the purpose of investment and most of the consumers purchase gold jewellery because it helps them at the time of emergency.

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