



www.eprawisdom.com

Research Paper

A STUDY ON CONSUMER'S BUYING INTENTION TOWARDS GOLD JEWELLERY -WITH SPECIAL REFERENCE TO COIMBATORE CITY

Dr.K.Singaravelu¹

¹Research Supervisor, Department of Commerce, CBM College of Arts & Science, Coimbatore, Tamilnadu, India

K.M.Subhashini²

²Assistant professor, Department of Commerce, Sri Ramalinga Sowdambigai College of Science and Commerce, Coimbatore-641 109, Tamilnadu, India

ABSTRACT

India is the largest customer of gold in the world, followed by China and Japan. Indian Gold Market looks poised to achieve greater heights given the fascination for gold in the country. India consumes about 800 MT of gold which accounts to about 20% consumption of gold globally. More than 50% of this is used for making gold jewellery. In India, gold jewellery is a store of value, a symbol of wealth and status and a fundamental part of many rituals. In the last decade, 75 per cent of gold demand in India has taken the form of jewellery. More than two-thirds of that demand comes from the country's rural population, where a deep affinity for gold goes hand in hand with practical considerations of the portability and security of jewellery as an investment. This article is intended to study the buying intentions of the consumer on various aspects of Gold Purchase in the City of Coimbatore.

KEYWORDS: Buying intention, Gold Jewellery Purchase, Customer Preference

INTRODUCTION

Gold is a chemical element with the symbol Au (Latin: Aurum) and an atomic number of 79. It has been a highly sought-after precious metal for coinage, jewelry, and other arts since the beginning of recorded history. Gold is the most malleable and ductile of all metals, a single gram can be beaten into a sheet of 1 square meter, or an ounce into 300 square feet. Gold leaf can be beaten thin enough to become translucent. Gold readily creates alloys with many other metals. High quality pure metallic gold is tasteless; in keeping with its resistance to corrosion (it is metal ions which confer taste to metals). Gold has been widely used throughout the world as a vehicle for monetary exchange, either by issuance and recognition of gold coins or other bare metal quantities, or through gold-convertible paper instruments by establishing gold standards in which the total value of issued money is represented in a store of gold reserves. India's affinity for the yellow metal is both historic and legendary. Indians have always loved gold, not just because of the adornment value, but because it is seen as an instrument of long-term investment.

India is the world's largest consumer of gold jewellery. India contributes about 20% to the global demand for physical gold. Roughly 30% of gold jewellery fabrication is from recycled pieces. India is typically also the largest purchase of coins and bars for investment. At just over one

gram of demand per thousand dollars of GDP, India stands third in the world, behind only the UAE and Bahrain.

In today's socio-cultural life, people want to stand out differently and in terms of jewellery also everyone wants to own an exclusive piece and not something that is common. Women especially have this tendency of being conscious about this fact and that they do not like homogeneity as want to look elegant yet exclusive. Many a time consumers visiting jewellery showrooms have the option of picking up jewellery which is readily available and the designs may be quite common¹. The jewellery buyer even travel to near states or districts or cities for purchase of unique design of jewellery, this migration of consumers from one place to other for purchase of certain product is known as outshopping.

Traditionally, Indian household prefer to buy jewellery for festivities, weddings and other special occasions through their trusted neighbourhood or family jewellers. But in recent years, a trend seems to be evolving whereby increasing number of individuals is opting for branded jewellery which is driving the growth of organized retail jewellery². Purity of the precious metal and beautiful designs have been drawing more and more customers to organised players, while soaring income levels, rapid urbanization, rise in the number of working women and brightening economic growth prospects are some of the external factors that continually motivating many common man to attract people to buy gold. People



don't mind spending a few more bucks if they are convinced about the purity of the metal used in jewellery, and they do not mind in travelling even few miles away from their local places for buying quality jewellery, this is the greatest driver of organised sector growth across India, especially in India³. Thus, it can be rightly claimed that the basic principles in the successful performance branded organised retail jeweller lie in developing loyal customers and implementing suitable marketing strategies⁴.

NEED FOR THE STUDY

This article is intended to study the buying intentions of the consumer on various aspects of Gold Purchase in the City of Coimbatore. Due to the existence of cut-throat competition, market inflation, high price rise in the market, an effort has been made to survey the consumer intentions towards purchase of gold in Coimbatore City. A study with consistency is required to comprehend the level of survey. The survey basically depends on the attributes leading to intentions of the respondents during purchase of gold jewellery from various retail outlets. Based on the results, suggestions and suitable recommendations are stated by the author for the policy managers to improve their share in the market.

STATEMENT OF THE PROBLEM

One of the most important developments in jewellery market has been the enormous growth of the industry over the past two decades. The benefits of jewellery sector can be seen in the form of large scale industrial development, increased employment opportunities, higher turnover as well as revenue generation to the government etc.. It has been analyzed in this article is the intentions of the consumer towards purchase of gold specifically from Coimbatore city to understand their feedback about the value added to the products for which the consumers are willing to opt each and every time of purchase from a specific jewellery outlet of Coimbatore City. The prime function of this sector is "the creation and delivery of consumer needed services in a consumer satisfying manner". Therefore, it becomes necessary to understand whether the consumers are satisfied with the price of the product, purity, reputation, reliability of the store and variety, design, workmanship, etc. which are prime factors makes the consumers walk-in frequently into the same jewellery outlet on every purchase. Also, whether the attributes such as range of collection, economy of wastage

and making charges, discounts, offers and reasonable exchanges, sales personnel hospitality from which the consumers are satisfied to buy the jewellery from the same store. Problem in any of these aspects shall lead the consumers to look out for options on their subsequent purchases.

OBJECTIVES OF THE STUDY

- To study the consumers intentions to purchase gold in selected jewelers in Coimbatore city.
- To suggest measure for improvements in management policies

RESEARCH METHODOLOGY

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. It explains the various steps that are generally adopted by a researcher in studying his problem along with the logic behind them and also why a particular method or technique are using, so that the research results are capable of being evaluated either by the researcher himself or by others. A research design is a plan, structure and strategy of investigation so conceived as to obtain answers to research questions or problems. The research design here used is descriptive research. Both Primary and Secondary data are used to collect data for the study. The technique used for the research is Non-Probability sampling and the sampling technique selected for the study is convenience sampling technique. The data-collecting instrument used for obtaining the desired information was questionnaire. The questionnaire was structured and directed so as to make the respondents understand it easily. The researchers collected data from 128 respondents. The collected data was analysed using statistical tools like Simple Percentage Method, Weighted Mean, Garrett Ranking Method and Chi Square Test.

LIMITATIONS OF THE STUDY

The sample size was relatively small and drawn from only Coimbatore, which cannot generalize the findings. Due to time constraint, the sample size is limited to 128 respondents. The respondent's views and opinion may hold good for the time being, but may vary in future.

Demographic variables

The demographics variables of the customers involved in gold purchase are considered for the study based on their gender, age, education, monthly income, monthly investment and yearly investment on gold are presented hereunder.

Table 1: Demographic variables of the customers

Sl.No.	Demographics	Frequency (128 Nos.)	Percentage (100%)
1.	Gender		
	Female	103	80.5
	Male	25	19.5
2.	Age		
	21 to 30 years	61	47.7
	31 to 40 years	30	23.4
	41 to 50 years	11	8.6
	Above 50 years	26	20.3
3.	Education		
	Graduation	55	43.0
	Post Graduation	34	26.6
	Others (SSLC/H.Sc., Technical, etc.)	39	30.5
4.	Monthly Income		
	Below Rs.25000	62	48.4
	Rs.25001-50000	40	31.2
	Above Rs.50,000	26	20.3
5.	Value of monthly investment		
	Below Rs.2000	28	21.9
	Rs.2001 to 3000	40	31.2
	Above Rs.3000	60	46.9
6.	Value of Annual investment		
	Below Rs.50,000	27	21.1
	Rs.50,001 to Rs.100,000	41	32.0
	Above Rs.100,000	60	46.9

Source: Computed from primary data

From the table it is understood that out of one hundred and twenty eight customers, majority (80.5%) of the customers are women and 19.5% of them are male. It is understood that less than half (47.7%) of the customers fall in the age below 30 years, while 23.4% of the customers are in the age group between 31 and 40 years, 20.3% of the customers are above 50 years of age and the remaining 8.6% of the respondents are in the age group of 41 to 50 years. It is clear that maximum (43%) of the customers were qualified with graduation, 26.6% of the customers were post graduates and the remaining 30.5% of the customers had other qualifications (SSLC/ H.Sc., Technical, etc.). It is evident that nearly half (48.4%) of the customers had income below

Rs.25,000 per month, while 31.2% of the customers had income between Rs.25,001 and 50,000 and the remaining 20.3% of the customers had income above Rs.50,000. As far as the monthly investment in gold by the customers are concerned it is clear that most (46.9%) of the respondents invested above Rs.3000 per month, while 31.2% of the customers invested from Rs.2001 to Rs.3000 and the remaining 21.9% of the respondents invested below Rs.2000. It is understood that less than half (46.9%) of the respondents yearly investment in gold was above Rs. 100,000, while 32% of the customers invested in gold was between Rs.50,001 and Rs.100,000 per annum and the remaining 21.1% of the customers invested in gold was below Rs.50,000 per annum.

Table 2: Factors considered by the customers during gold purchase from their regular retail outlet

Factors	Very Low	Low	Moderate	High	Very High
Price of Gold	11 (8.59%)	18 (14.06%)	35 (27.34%)	11 (8.59%)	53 (41.41%)
Purity of Gold	8 (6.25%)	21 (16.41%)	48 (37.50%)	20 (15.62%)	31 (24.22%)
Image of Retailer (Reputation)	18 (14.06%)	23 (17.97%)	32 (25.00%)	13 (10.16%)	42 (32.81%)
Store Trustworthiness (Reliability)	12 (9.38%)	49 (38.28%)	7 (5.47%)	22 (17.19%)	38 (29.69%)
Variety, Design, Workmanship, etc.	15 (11.72%)	8 (6.25%)	39 (30.47%)	28 (21.88%)	38 (29.69%)

Source: Computed from primary data

Note: Figures in parenthesis represent percentage

From the above table it is clear that half (41.41%+8.59) of the respondents had very high level and high level of consideration to purchase gold based on its price, whereas 14.06% had low consideration and 8.58% of the respondents had very low consideration on price during purchase of gold. 27.34% of the respondents had neutral opinion. It is clear that maximum (24.22%+15.62%) of the customers considered purity of gold during their purchase from their regular retail showroom while 37.5% of the respondents had neutral opinion, 16.41%+6.25% of the customers had very low and low level of consideration on purity of gold during their purchase. It is understood that maximum (32.81%+10.16%) of the customers considered image and reputation of the retail outlet during their gold

purchase while 25% of the customers had neutral opinion, 17.97%+14.06% of the customers had low and very low level of consideration on image and reputation of the retail outlet during their purchase. It is clear that maximum (29.69%+17.19%) of the customers considered store reliability during their gold purchase while 5.47% of the customers had neutral opinion, 38.28%+9.38% of the customers had low and very low level of consideration on store trustworthiness during their purchase. It is observed that maximum (29.89%+21.88%) of the customers considered variety, design and workmanship, etc. during their gold purchase while 30.47% of the customers had neutral opinion, 11.72%+6.25% of the customers had very low and low level of consideration on variety, design and workmanship, etc. during their gold purchase.

Table 3: Rank showing the factors considered by the customers during gold purchase from their regular retail outlet

Factors	Wtd. Mean	Rank
Price of Gold	3.602	1
Purity of Gold	3.352	3
Image of Retailer (Reputation)	3.297	4
Store Trustworthiness (Reliability)	3.195	5
Variety, Design, Workmanship, etc.	3.516	2

Source: Computed from primary data

From the table it is observed that the customers considered price of gold as the prime factor to purchase gold from their regular retail outlet with the mean of 3.502, followed by the second rank was for variety, design, workmanship, etc. with the mean of 3.516. third rank was for purity of gold

with the mean of 3.352, fourth rank was for the statement image of retailer (Reputation) with the mean of 3.297 and the least rank was for store trustworthiness (reliability) with the mean of 3.195.

Table 4: Garrett Ranking on Buying Jewelleries from the same store

Attributes	Garrett Score	Garrett Mean	Garrett Rank
Store Reputation and Reliability	7110	55.547	3
Wide Range of Collection	7254	56.672	2
Quality and Purity of Jewels	7321	57.195	1
Less Wastage and Making Charges	5972	46.656	5
Discounts, Offers and Reasonable Exchange Offers	4568	35.688	7
Complimentary Gift, VIP Card & Special Offers	5739	44.836	6
Service Satisfaction (Sales Personnel, Showroom, etc.)	6836	53.406	4

Source: Computed from primary data

From the table it is clear that the customers highly considered buying jewelleries from the same store for its quality and purity with the mean of 57.195, followed by the second rank was for wide range of collection with the mean of 56.672, third rank for store reputation and reliability, fourth rank for Service Satisfaction (Sales personnel, showroom ambience, etc.), fifth rank towards less wastage and making charges, sixth rank for complimentary gift, VIP card and special offers and finally the least rank was for the discount, offers and reasonable exchange value for their old material with the mean f 55.547, 53.406, 46.656, 44.836, 35.688 respectively.

CHI-SQUARE TEST

Hypothesis

Null Hypothesis: There is no significant relationship between Income of the customers, Monthly Investment, yearly investment of the customers and their opinion on preference towards gold purchase from regular retail outlet

Alternate Hypothesis: There is a significant relationship between Income of the customers, Monthly Investment, yearly investment of the customers and their opinion on preference towards gold purchase from regular retail outlet



Table 5: Relationship between Income, Monthly, yearly investments and Customers preference to purchase gold from regular retail outlet

Factors	Monthly Income (df:8)	Monthly Investment (df:8)	Yearly Investment (df:8)
Price of Gold	t ² : 13.976* Sig.: 0.082 TV= 13.362	χ ² : 5.736 ^{NS} Sig.: 0.153 TV=15.508	χ ² : 5.248 ^{NS} Sig.: 0.731 TV=15.508
Purity of Gold	t ² : 17.928** Sig.: 0.022 TV= 15.508	χ ² : 10.855 ^{NS} Sig.: 0.210 TV=15.508	t ² : 22.748** Sig.: 0.004 TV= 15.508
Image of Retailer (Reputation)	χ ² : 11.956 ^{NS} Sig.: 0.153 TV=15.508	t ² : 15.706** Sig.: 0.047 TV= 15.508	χ ² : 3.381 ^{NS} Sig.: 0.908 TV=15.508
Store Trustworthiness (Reliability)	t ² : 20.896** Sig.: 0.007 TV= 15.508	χ ² : 5.167 ^{NS} Sig.: 0.740 TV=15.508	t ² : 18.073** Sig.: 0.021 TV= 15.508
Variety, Design, Workmanship, etc.	t ² : 15.516** Sig.: 0.050 TV= 15.508	t ² : 17.158** Sig.: 0.029 TV= 15.508	t ² : 13.690* Sig.: 0.090 TV= 13.362

Source: Primary data

Sig.: ** 5% level, * 10% level,

NS: Not Significant

Note: TV represents Table Value, df: Degree of Freedom χ² represents Chi-Square Value,

MONTHLY INCOME AND PREFERENCE Price of Gold

It is clear that the relationship between monthly income and customer preference to purchase gold from regular retail outlet with regard to price of gold are significantly associated at 10% level based on the chi-square value (13.976) is more than the table value (13.362) to reject the null hypothesis.

Purity of Gold

It is clear that the relationship between monthly income and customer preference to purchase gold from regular retail outlet with respect to purity of gold are significantly associated at 5% level based on the chi-square value (17.928) is more than the table value (15.508) to reject the null hypothesis.

Image of Retail Outlet

It is clear that the relationship between monthly income and customer preference to purchase gold from regular retail outlet with respect to image of retail outlet are not significantly associated at 5% level based on the chi-square value (11.956) is less than the table value (15.508) to accept the null hypothesis.

Store Trustworthiness (Reliability)

It is clear that the relationship between monthly income and customer preference to purchase gold from regular retail outlet with respect to Store Trustworthiness are significantly associated at 5% level based on the chi-square value (20.896) is more than the table value (15.508) to reject the null hypothesis.

Variety, Design, Workmanship, etc.

It is understood that the relationship between monthly income and customer preference to purchase gold from regular retail outlet with respect to Variety, Design, Workmanship, etc. are significantly associated at 5% level based on the chi-square value (15.516) is more than the table value (15.508) to reject the null hypothesis.

MONTHLY INVESTMENT AND PREFERENCE Price of Gold

It is clear that the relationship between monthly gold investment and customer preference to purchase gold from regular retail outlet with regard to price of gold are not significantly associated at 10% level based on the chi-square value (5.736) is less than the table value (15.508) to accept the null hypothesis.

Purity of Gold

It is clear that the relationship between monthly gold investment and customer preference to purchase gold from regular retail outlet with respect to purity of gold are not significantly associated at 5% level based on the chi-square value (10.855) is less than the table value (15.508) to accept the null hypothesis.

Image of Retail Outlet

It is clear that the relationship between monthly gold investment and customer preference to purchase gold from regular retail outlet with respect to image of retail outlet are significantly associated at 5% level based on the chi-square value (15.706) is more than the table value (15.508) to reject the null hypothesis.

Store Trustworthiness (Reliability)

It is clear that the relationship between monthly gold investment and customer preference to purchase gold from regular retail outlet with respect to Store Trustworthiness are not significantly associated at 5% level based on the chi-square value (5.167) is less than the table value (15.508) to accept the null hypothesis.

Variety, Design, Workmanship, etc.

It is understood that the relationship between monthly gold investment and customer preference to purchase gold from regular retail outlet with respect to Variety, Design, Workmanship, etc. are significantly associated at 5% level based on the chi-square value (17.158) is more than the table value (15.508) to reject the null hypothesis.



YEARLY INVESTMENT AND PREFERENCE

Price of Gold

It is clear that the relationship between yearly gold investment and customer preference to purchase gold from regular retail outlet with regard to price of gold are not significantly associated at 5% level based on the chi-square value (5.248) is less than the table value (15.508) to accept the null hypothesis.

Purity of Gold

It is clear that the relationship between yearly gold investment and customer preference to purchase gold from regular retail outlet with respect to purity of gold are significantly associated at 5% level based on the chi-square value (22.748) is more than the table value (15.508) to reject the null hypothesis.

Image of Retail Outlet

It is clear that the relationship between yearly gold investment and customer preference to purchase gold from regular retail outlet with respect to image of retail outlet are not significantly associated at 5% level based on the chi-square value (3.381) is less than the table value (15.508) to accept the null hypothesis.

Store Trustworthiness (Reliability)

It is clear that the relationship between yearly gold investment and customer preference to purchase gold from regular retail outlet with respect to Store Trustworthiness are significantly associated at 5% level based on the chi-square value (18.073) is more than the table value (15.508) to reject the null hypothesis.

Variety, Design, Workmanship, etc.

It is understood that the relationship between monthly gold investment and customer preference to purchase gold from regular retail outlet with respect to Variety, Design, Workmanship, etc. are significantly associated at 10% level based on the chi-square value (13.690) is more than the table value (13.362) to reject the null hypothesis.

SUMMARY OF RESULTS

Demographic Variables

- It is understood that majority (80.5%) of the customers are women
- Less than half (47.7%) of the customers fall in the age below 30 years
- Maximum (43%) of the customers were qualified with graduation
- Nearly half (48.4%) of the customers had income below Rs.25,000 per month,
- Most (46.9%) of the respondents invested in gold was above Rs.3000 per month
- Less than half (46.9%) of the respondents yearly investment in gold was above Rs.100,000.

Factors considered during gold purchase (Two-Way Table)

It is clear that half of the respondents had very high level and high level of consideration to purchase gold based on its price. Maximum of the customers considered purity of gold during their purchase from their regular retail showroom. Most of the customers considered image and reputation of the retail outlet during their gold purchase. Highest level of the customers considered store reliability during their gold purchase. Most of the customers considered variety, design and workmanship, etc. during their gold purchase.

Factors considered during gold purchase (Weighted Mean)

In continuation to the results of two table weighted average method was employed to measure the rating of the customers which shows that the customers highly considered price of gold as the prime factor to purchase gold from their regular retail outlet and the least rank was for store trustworthiness (reliability).

Garrett Ranking on Buying Jewelleries from the same store

It is clear that the customers highly considered buying jewelleries from the same store for its quality and purity and finally the least rank was for the discount, offers and reasonable exchange value for their old material.

Chi-Square Results

It is observed that the relationship between monthly income and customer preference to purchase gold from regular retail outlet with regard to price of gold, purity of gold, Store Trustworthiness and Variety, Design, Workmanship, etc. are significantly associated. Whereas, the relationship between monthly income and customer preference to purchase gold from regular retail outlet with respect to image of retail outlet are not significantly associated.

It is clear that the relationship between monthly gold investment and customer preference to purchase gold from regular retail outlet with regard to image of retail outlet and Variety, Design, Workmanship, etc. are significantly associated. Whereas, the relationship between monthly gold investment and customer preference to purchase gold from regular retail outlet with regard to price of gold, purity of gold and Store Trustworthiness are not significantly associated.

It is understood that the relationship between yearly gold investment and customer preference to purchase gold from regular retail outlet with regard to purity of gold, Store Trustworthiness and Variety, Design, Workmanship, etc. are significantly associated. Whereas, the relationship between yearly gold investment and customer preference to purchase gold from regular retail outlet with regard to price of gold and image of retail outlet are not significantly associated.

SUGGESTIONS

If we take a look at the kind of response that has been obtained from the survey through the research, it is clear that most of the respondents preferred to purchase gold from Coimbatore for various reasons. However, to be very precise the purchase is made particularly for the quality, consumer service, popularity of the city, making charges, service charges, designs, etc. were taken into consideration by most of the consumers before they make a purchase.

Few of the respondents still shop with their family jewellers as they give them better variety, possibility of buy-back option as well. On the contrary the same set of respondents doesn't find the designs of the some of the jewellers unique enough. Hence they choose different showroom from the retail jewellery outlet from the market. Therefore, immediate attention needed by the policy makers in this regard.

To grow with the existing consumer base and to add additional consumer to their fold, the company should make 'Sure that it stocks the right quantity of designs so as to attract more and more consumers towards its stores. Also, shall introduce monthly gold saving scheme in more comfortable manner to make the consumers understand the value of the yellow metal that should be owned by every family.

CONCLUSION

The success of any brand lies not by volume of sale that it makes, but the value of people who make it happen from their retail outlet. Hence, the jewellery retailers in Combatore should not be complacent about the profit from the sales that they had achieved from the present period but the consistency in which they make it year after year. During the research, there were many instances where people had more choice for new and fancy designs while few of the jewellery retailers needed to update themselves to the market needs to satisfy the customer taste to enhance the growth in their business.

BIBLIOGRAPHY**Books Referred**

1. *Research Methodology- C.R.Kothari.*
2. *Statistics -Gupta*

Internet Sources

1. <http://www.shodhganga.com>
2. <http://www.wikipedia.org>
3. <http://www.gold.org>

END NOTES:

¹Sumita Kumar (2014), *A case study on Innovative Practices In Family Owned Enterprises, Protagonist- Abhishek Roonwal, Jewel Passion, Midas Touch Indian Journal of Multidisciplinary Research , Volume.No.2, Issue.No.1-3,ISSN: 2320 -7779, PP:37-44, January – March.*

²Moses Daniel R and Kumaran Thayumanavan (2014), *Impact of Organised Jewellery Retailing on Unorganized Gems and Jewellery Retailing in Madurai District with Special Reference to Madurai Gems, Jewellery and Bullion Association, International Journal of Scientific Research, Volume.No.3, Issue.No.4, ISSN:2277-8179, PP:1-3, Aprils.*

³Bnikinkar Pattanayak (2015), *The chain effect: Organised jewellery market shines bright, The Financial Express, 15*

thMarch, <http://www.financialexpress.com/article/markets/commodities/the-chain-effect-organised-jewellery-market-shines-bright/53814/>

⁴Ibid, Geevarathna (2013), ..