

## **Female Customer Intentions in Buying Gold Jewelry**

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### **Abstract**

It comes as little surprise; India is the world's largest single consumer of gold, as Indians buy about 25% of the world's gold, purchasing approximately 800 tons of gold every year, mostly to be melted down into Jewelry. As well as being the largest consumer, India is also the largest importer of gold. Possessing gold is firmly embedded in Indian customs and traditions. An attempt is made to understand female customers' intention in purchasing jewelry. A convenient sample of 140 female customers has been selected from Guntur city for the present study. The frequency and percentage analyses were carried out to understand the socio-economic characteristics of customers and analyses is based on Chi-square, F-test and the results are interpreted.

**Keywords:** Customs, Female Customers, Import, Buying Intention, Gems and Jewelry

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### **Introduction**

Society is diversified in all aspects. We see this among consumers, marketers, producers and even among consumer behavior from theoretical aspects. The study of consumer behavior enables marketer to predict consumer behavior in the market, it also produces understanding of the role that consumption has in the lives of individuals.

Consumer behavior is defined as a behavior that consumers display while searching for purchase, using, evaluation and disposal of products, services and ideas that to satisfy their needs. The study of consumer behavior is concerned not only with what consumers buy, but also with what they buy it, when, from where and how they buy it and how often they buy it. It is concerned with learning the specific meanings that product hold for consumers. Consumer research takes place at every phase of the consumption process, before the purchase, during the purchase and after purchases.

Consumer behavior is the study of how people buy, what they buy, when they buy and why they buy. It attempts to understand the buyer decision processes/buyer decision making process, both individually and in groups. It studies characteristics of individual consumers such as demographics, psychographics, and behavioral variables in an attempt to understand people's

wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general. Consumer behavior is interdisciplinary, i.e. it is based on concepts and theories about people that have been developed by scientist in such diverse disciplines as psychology, sociology, social psychology, cultural anthropology and economics. Consumer research is the methodology used to study consumer behavior. There are number of reasons why the study of consumer behavior developed as a separate marketing discipline. As some as the marketing researches began to study the buying behavior of customers they realized that, despite a something “me too” approach to fashions, many consumer rebelled at using the identical products everyone else used. The primary purpose or studying as part of a marketing curriculum is to understand why and how consumers make their purchase decisions.

According to World Gold Council, India is the largest market for gold Jewelry in the world with staggering 746 tons of gold in 2010. 75% of the women say that they constantly search for new designs. As gold prices are rising sharply the sellers are offering less weighted ornaments at the budget of the female customers.

### **Review of Literature**

The India’s demand for gold jewelry is 22% of the global market according to research conducted by the World Gold Council. Additionally, India represents 35% of the net retail investment, including gold coins and gold bars. ‘India is the world’s largest consumer of gold in tonnage terms’. Gold is a formidable part of showcasing the Indian customs and traditions. The culture celebrates many religious festivals and occasions such as weddings when gold is worn as part of the colorful and lavish outfits. Giving gold as gifts is also very common. The relationship of gold within the culture and the behavior of the consumers as they go about their purchasing activities suggest that gold-buying is ritualistic (Dempster 2006).

Various consumer goods are studied to conclude, that rising income, urbanization, and education are having a great impact on the Indian consumption pattern and the growing component of discretionary expenditure in urban area is becoming increasingly evident." "Durable Consumer Goods", monthly commentary on Indian economic condition 1 (II).

In the study on "Advertising Claims, Expectations, Fulfillment, and Product Evaluation" analyzed the claims and the expectations aroused on part of consumer and the extent of fulfillment by product and ultimately product evaluation (Bhandari 1978)

Attempts are made to grasp the peculiarity of Indian consumer. To construct his buying profile, the consumer has to be observed with reference to his environment, culture and tradition, education, economic status, level of exposure and the degree of sophistication. (Ramaswamy and Namakumari 1983).

In the study "Consumer Behaviour in Tamil Nadu: An Empirical Analysis" examined the influence of occupation on household consumption in Tamil Nadu. Influence of occupation was more evident in urban, when compared to rural. Perception of commodity as necessity or luxury, and consumption of non food items is affected by rural or urban location of consumer, as well as by occupation (Kannan 1986). In the research entitled: "Adopter categories in the acceptance process for consumer durables" determined the adopter categories for a new product using an innovation diffusion model which assumes that the potential adopters of an innovation are influenced by two means of communication, namely the mass media (external influence) and word of mouth (internal influence) (Martínez and Polo 1996).

In the research named "Family decision making and coalition patterns" clearly mentioned the relatively influence of family members and the dominant decision- making strategies that are used. Observational data are derived from videotaped recordings of family interactions during a simulated decision-making situation (Lee and Collins 2000).

Gold is unique, however, because it is not necessarily a 'cherished' possession. 'Cherished possessions carry reminiscences about life and create a personal and durable sense of identity' When gold is purchased with the intention that it will be passed to children, daughters in particular, at some future date, the 'attachment' is never solidified because arguably, it is never fully acknowledged as one's own. (Price, Arnould and Curasi 2000)

In the study, the expatriates' favoured possessions were traditional artifacts, whether authentic or reproduction. The items were valued for the link that connected them to the cultural community they had left behind. (Mehta and Belk 1999). Rncos (2006) reported in his article "Indian Customers Showing Interest in Branded Jewelry" that Indian Gems and Jewelry Market

Future Prospects to 2011, gems and Jewelry market in India possess tremendous potential for future growth. It has an added advantage of low production cost and highly skilled labor that separate it from its competitors. It is projected that the overall gems and Jewelry market will grow at a CAGR (Compound Annual Growth Rate) of around 14% during 2009-2012.

Study released by the Bullion Association of India (2007) stated that due to the changing dynamics, traditional jewelers are looking to jump on the "brand wagon" by investing in advertising and trying to build a presence in the minds of consumers. Traditional jewelers have signed up Bollywood heroines as brand ambassadors to promote their products.

### **Objectives of the Study**

1. To measure female customers' intension of Jewelry purchase.
2. To study the underlying benefits female costumers seek from the purchase of Jewelry.
3. To examine the factors influence on Jewelry purchase.

### **Research Methodology**

The study was conducted in the city of Guntur (Andhra Pradesh) in November and December 2013. First of all, through focus group interviews, the underlying benefits that female costumers seek from the purchase of Jewelry were sought to be identified. Three focus group interviews were conducted each consisting of ten members and lasting an hour. The members were from a diverse background. Based on the results of these focus group interviews a questionnaire was designed.

### **Sampling**

A convenient sample of 140 female customers has been selected for the present study.

### **Place of the Study**

Female customers of all groups have been covered across the Guntur city of Andhra Pradesh.

## Sampling procedure

Sample is selected on basis of convenient random sampling method. 140 consumers are selected for the purpose of the study to analyze the female customer intention in buying Jewelry. The data is collected by using pre-tested schedule consisting of 15 statements. The consumer behavior is measured on a five point Likert scale ranging from strongly agrees to strongly disagree.

## Hypotheses

H<sub>0</sub> (Null Hypothesis): There is no significant difference in the intentions among female customers relating to jewelry purchase and underlying benefits of purchasing Jewelry.

H<sub>1</sub> (Alternate Hypothesis): There is significant difference in the intention among female customers relating to jewelry purchase and underlying benefits of purchasing Jewelry.

Limitations:

- The time at which study was conducted been with severe restrictions from government regarding gold imports resulting in rise of gold prices. So the response of the consumers may influence the then economic conditions of the country.
- Mere 140 numbers may not be sufficient to conclude the big picture of the consumers of the society.
- The place selected was a developing city where most of the consumers are from agriculture and traditional which may least cover the modern women.
- The time of the study two months may not be sufficient to give the accurate picture of the consumer intentions.

## Results and Discussions

*Table: 1 Socio –Economic Profile of the customers*

Variables	Respondents(N=140)		Variables	Respondents(N=140)	
	Number	Percent		Number	Percent
Occupation			Educational Qualification		
Employees	49	35	SSC and Below	36	25.71
House Wife	72	51.43	Graduation	31	22.14
Others	19	13.57	Post – Graduation	22	15.71
Income Respondents(N=140)			Uneducated	51	36.43

Income Group	Number of Respondents	Percentage (%)	Age( Years) Respondents(N=140)		
			Age Group	Number of Respondents	Percentage (%)
Less than 1 Lakh	55	39.29	Less than 25	47	35.57
1-2 Lakhs	60	42.86	25-35	53	37.86
			35-45	28	20
2-3 Lakhs	25	17.85	45 and above	12	8.57

Source: primary data collected through questionnaire

### **Socio-economic Characteristics the Respondents**

The socio-economic characteristics of Female customers are analyzed and the results are presented in Table 1. The table reveals that out of 140 respondents, 35.57 percent belong to the age group of below 25 years followed by 25-35 years (37.86 per cent), 35-45 years (20 per cent) and above 45 years account for 8.57 percent.

Education plays an important role in the purchase of gold. This is because; literate people know the future rise in price of price of gold as compared to illiterate people. Further, literate people are chose the right show room to buy. In view of this, the educational qualifications of sample female customer have been presented in Table-1. The majority of the Female customers, who interviewed (36.43 per cent) are uneducated, followed below SSC (10<sup>th</sup>) (25.71 per cent), graduates (22.14 per cent), and post graduates (15.70 per cent). Strong Interrelationship exists between income and purchase of gold Jewelry.

The analysis also show that about 42.86 per cent of the respondents belong to the monthly income of 1-2 lakhs , followed by (39.29 per cent) less than 1 lakhs and 17.85 percent respondents belongs to the income group of 2-3 lakhs.

The table also shows that among the total 140 sample respondents, majority of them who accounts for 51.43 percent are house wives. Those who follow it and who account for 35.00 per cent are employees and 13.57 percent are professionals (Doctors, Lawyers, CAs and Software's) relatively less than other occupational groups.

The purchasing patterns of Jewelry by female customers are analyzed by considering the factors viz., unique design of the Jewelry, being it the status symbol, influenced by commercials or personal source, their preferable place to shop readymade showrooms or ordinary making shops, price fluctuations in gold with the intention of high gains and quality marks such as BIS,

KDM etc., Table 2 shows the analysis of purchasing patterns of gold Jewelry by female customers.

*Table: 2 Factors influencing purchasing patterns of Jewelry*

Variable	Respondents(N=140)		Variable	Respondents(N=140)	
	Number	Percent		Number	Percent
Influence of commercials			Influence of personal source		
TV	43	30.71	Friends & Neighbors	40	28.57
New Paper	31	22.41	Self	26	18.57
Magazines	18	12.86	Family Members	13	9.28
Show Room Representatives	29	20.71	Media	34	24.29
Other media	19	13.57	Others	27	19.29

Source: primary data collected through questionnaire

The above table reveals that buyers are influenced by personal sources, commercial sources and various other sources while buying a product or service. In this regard, the influence of personal sources on sample population while buying jewelry has been presented in table. The table shows that among the sample customer majority of them who accounts for 28.57 percent is influenced by Friends & Neighbors. Those who follow it and who account for 24.29 percent are influenced by media. In the remaining sample, female customers who are influenced by self are relatively more than those who are influenced by family members. The calculated Chi-Square value is greater than the tabulated value, therefore it is said to be significant.

Retail show rooms spend lot of money to promote their business and jewelry shops are no exception. Marketers use commercial sources such as television, newspapers, magazines and other media to influence the behavior of buyers. In view of this, the influence of commercial sources on sample customer while buying gold jewelry has been presented. The table shows that among the total sample customer, majority of them who accounts for 30.71 percent is influenced by TV. Those who follow it and who account for 22.41 percent are influenced by new paper. In the remaining sample, customer, who are influenced by showrooms representatives are relatively more than those who are influenced by magazines and other Medias. The calculated Chi-Square value is greater than the tabulated value, hence it is said to be significant.

*Table: 3 Intension of Jewelry purchase*

Perception	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree	F-Value	Sig
Prefer Quality Mark ( Like Hal, BIS KDM)	58 (41.43)	29 (41.43)	11 (41.43)	9 (41.43)	33 (41.43)	5.22	0.05
Unique Design	45 (32.14)	22 (32.14)	16 (32.14)	34 (32.14)	23 (32.14)		
Purpose - Investment	48 (34.28)	21 (34.28)	16 (34.28)	18 (34.28)	37 (34.28)		
Status Symbol	25 (17.86)	26 (17.86)	21 (17.86)	30 (17.86)	38 (17.86)		
Price Fluctuations - High Gains	16 (11.43)	26 (11.43)	17 (11.43)	28 (11.43)	53 (11.43)		
Prefer - Corporate Showrooms	46 (32.86)	24 (32.86)	22 (32.86)	23 (32.86)	25 (32.86)		

Source: primary data collected through questionnaire

Table-3 shows whether the intention in purchasing gold is to have unique design or not. Among the total sample customers, majority of them who accounts for 32.14 percent strongly agreed. Those who follow it and who account for 24.29 percent disagreed. In the remaining sample, customers who are strongly disagreeing are relatively more than those who agreed and neutral to the question understudy. There is significant difference exist on opinion of customers with regard to have unique designs.

Female customer purchase of gold ornaments for various reasons such to expose their status and investment. In fact the reasons for purchase of gold ornaments vary from person to person. In view of this, the intention of purchasing gold ornaments have been presented in Table .The table shows that among the total sample respondents , majority of them who accounts for 34 .28 percent strongly agree that their intention of purchasing jewelry is investment. Those who follow it and who account for 26.43 percent strongly disagree that the question understudy. In the remaining sample, respondents who agreed that their purpose is investment are relatively



more than neutral and disagree. The calculated Chi-Square value is greater than the tabulated value, hence it is said to be non significant.

Among the female customer, majority of them who accounts for 27.14 percent strongly disagreed to the question understudy (their intention to buy is status symbol). Those who follow it and who account for 21.43 percent disagreed. In the remaining sample, who agreed are relatively more than those who undecided. The calculated Chi-Square value is less than the tabulated value, therefore it is said to be significant.

Analysis of data reveals that shows the 37.86 percent female customer not expecting gains from the price fluctuations of gold. Among the total sample customer, who accounts for 20 percent disagree that they could not expect any gain from the price fluctuations. Those who follow it and who account for 18.57 percent expecting gains from the gold price fluctuation. The calculated Chi-Square value is less than the tabulated value, so that it is said to be non significant.

The table shows that among the total sample customer, majority of them who accounts for 32.86 percent is strong agreed that they prefer to buy from corporate show room (branded show rooms). Those who follow it and who account for 17.14 percent are agree that their preference is corporate show rooms. The remaining sample customers who account for just 17.86 percent strongly disagree to buy from corporate shops. The result of the study reveals that majority of the respondent who account 41.43 percent strongly agreed that they observe quality mark while buying jewelry and only 6.43 percent disagree to question understudy.

The F-value of 5.22 is statistically significant at five per cent level of significance indicating that there is a significant difference in purchase intentions of Jewelry among the consumers.

*Table: 4 Calculations of Pearson Chi-Square Values*

<b>Factor of Analysis</b>	<b>Chi-Square Values</b>	<b>Degrees Of Freedom (Df)</b>	<b>Tabulated value at 5% level of significance</b>
Unique Design	15.35714	4	9.488
Influence of personal source	14.64286	4	9.488
Status Symbol	5.678571	4	9.488

Price Fluctuations – High Gains	7.642857	4	9.488
Influence of commercial	14.85714	4	9.488
Prefer Corporate Showrooms	14.64286	4	9.488
Preference of Quality Mark	50.28571	4	9.488
Purpose – Investment	27.39286	4	9.488

Calculated chi-square greater than tabulated value, it is said to be significant.

Calculated chi-square less than tabulated value, it is said to be non significant.

### **Findings of the study**

The historical events reveal that ancient women wear gold ornaments as a symbol of status and dignity. It is well-known fact that India women fond of gold in general particular in southern state of the country. Gold is a formidable part of showcasing the Indian customs and traditions. The culture celebrates many religious festivals and occasions such as weddings when gold is worn as part of the colorful and lavish outfits. Giving gold as gifts is also very common. A comprehensive glance at the tables and the values presented in various tables brings out the following facts:

- Consumers of all categories give importance to have unique designs.
- Most of customers are influenced by friends and neighbors.
- Nearly half of the respondents prefer to purchase gold in corporate show rooms.
- 30 percent of the customers are influenced by TV commercials and followed Newspaper.
- More than 50 percent of the customer never hassles about gold price fluctuations and gains from price fluctuations.
- Most of the Indian female customer purchase gold with intention of long term investment.
- Half of the respondents are prefer to buy quality marking (Halmark, KDM ECT) gold.

### **Suggestions**

- Introducing more attractive cash discounts schemes to the customer to enhance the increasing in the sale of gold.
- Introduce more attractive design, latest fashion of gold to the customer.

- Giving schemes like EMIs and offers to the customers at special occasions like Akshaya Trithiya and wedding seasons.

## **Conclusions**

Precision in judging and anticipation of customer perceptions is critical for the seller of a product. As is demonstrated in the above points regarding customer preferences for gold ornaments, the end-user looks for unique designs, promotional activities of corporate show rooms etc. Shopping for gold typically requires that some degree of bargaining or haggling over price takes place. When the customer asks ‘how much’, the gold is usually weighed and the cost calculated according to the world market price which changes daily. It is the fixing, or making, part of the price which is negotiable and subject to discounting as the salesperson and the customer move toward a mutually acceptable amount that will conclude the sale. This suggests opportunities for retail and financial establishments to use nationality when marketing to women customers noting that gems and precious metals have deeper significance beyond jewelry.

It must be understood that no corporate show room can be the best on all parameters of customer expectations. This is where positioning comes in, which means that each product must plan to create a major identity which differentiates it from designs and promotional activities of the same genre, in a way that it ‘stands out’. The researcher has made an attempt to study the female consumer intentions which may further extended to study the buying patterns in jewelry market including Diamonds, Platinum, Silver and Gems and the strategies of the sellers which induce the female customers for buying branded and non branded jewelry.

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