

Analysing Consumer Behaviour towards Purchase of Gold Jewelleries in Tiruchirappalli

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Abstract

The Gems and Jewellery sector 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. One of the fastest growing sectors, it is extremely exporting 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 present paper focused on the analysing consumer behaviour towards purchase of gold jewelleries in Tiruchirappalli which is a popular city in Tamil Nadu. Based on the analysis of the data collected for the study it can be concluded that changes in the price of gold have a significant impact on consumer behaviour. The study found that as gold prices rise, consumer demand for gold tends to decrease, while lower gold prices tend to increase consumer demand. However, the study also found that the level of sensitivity to price changes varies among different consumer segments. Consumer attitudes towards gold were also found to play an important role in determining their purchase behaviour. Those who

view gold primarily as an investment tend to be more sensitive to price fluctuations than those who view gold primarily as a commodity for adornment or gifting purposes.

Keywords: Consumer Behaviour, Gold Jewelleries, Buying and Wearing.

I.INTRODUCTION

The gems and jewellery market in India is home to more than 300,000 players, with the majority being small players. Its market size is about US\$ 75 billion as of 2017 and is expected to reach US\$ 100 billion by 2025. Consumers are demanding new designs and varieties in jewellery and branded jewelleries are able to fulfil their changing demands better than the local unorganized players. Moreover, increase in per capital income has led to an increase in sales of jewellery, as jewellery is a status symbol in India.

Gold jewellery is the preferred jewellery worn by women in India irrespective of their religious beliefs. In marriages, gold jewellery is the gift preferred by the near relatives of the bride and the groom. Jewellery is very popular among farmers, with an upsurge in gold sales after a good agricultural season. Buying of gold jewellery is an important part of every stage of an Indian citizen's life at birth, marriage, health, construction of home, festivals, religious ceremonies, setting up of new business and death.

Review of the Literature

Ms. Shalini Kakkar (2021) “The purpose of this research is to explore the consumers resistance to innovation”. Successful innovation is a factor based on failure of consumers acceptance to innovation. Resistance to innovation requires extensive research on consumer habits and behaviour leading to boycotting the innovation. The paper describes the complexity of barriers for innovation adoption and the study is based on ornamental gold jewellery.

Mrs. Sembakalaksmi S.J & Mr. N. Aadhi Krishnaa (2023) This study aims to examine the effects of gold price fluctuations on consumer behaviour. The study explores how fluctuations in gold prices impact consumer spending habits and their attitudes towards purchasing gold as an investment. The findings of this study could be valuable for policymakers, investors, and financial institutions to better understand the impact of gold price fluctuations on consumer behaviour and to develop effective strategies to manage risks and take advantage of market opportunities.

Manikandan L.N. & K.V.R. Rajadran (2024) This study aims to investigate consumer buying behaviour towards gold jewellery in Nagapattinam District, Tamil Nadu. The study offers valuable insights for jewellery retailers in understanding consumer behaviour and developing targeted marketing strategies tailored to the unique characteristics of the Nagapattinam District market. Overall, this research contributes to a deeper understanding of consumer buying behaviour towards gold jewellery, with implications for academia and industry.

Mrs. Simran R Kalyani (2021) in their paper, “research paper is trying to find out the satisfaction level on buying the branded jewellery on different parameters”. Research paper is based on primary and secondary data. Primary data was collected from sample size of eighty female respondents based on city of Mumbai. Mode of collecting data was questionnaire.

J. Saithani Begam & Dr G. Ravi Selvam (2020) Manufactured jewellery is being developed for both men and women as well as children, and it may be found in a range of various categories. The study concluded that the perception of the customers from the high-income group is high about the quality of the product, rectification of errors, take action on the complaint made on the employees and convenience of working staff.

Dr G. Jayashree Hareesh¹, Ms. C. Umarani & Mr. Mic Johnson W (2024) This research aims to uncover the comprehensive spectrum of consumer perceptions regarding gold ornaments in Kerala, analysing the determinants of purchase behaviour and the diverse preferences for ornament designs among different demographic segments. This research contributes to a deeper understanding of the gold ornament market in Kerala, offering valuable insights for businesses aiming to cater more effectively to their customers' evolving needs and preferences.

Priya Narayanan & Chhavi Baghel (2024) Gold jewellery is ubiquitous in India and is a common form of adornment and savings in the country. Traditionally, gold jewellery has been priced on the basis of the quantity of gold present sold at the market price, with an additional price component termed “making charges.” This research provides significant theoretical contributions and holds important managerial and policy implications.

Manoj Kale, Sairaj Deshmukh, Mahesh Zalte, Ganesh Pawar, Sagar Misal & Dr B. J. Mohite (2023) This study includes students' preferences for the use of gold jewellery from both an economic and social standpoint. In today's expensive world, survival is critical, so we must learn to be financially self-sufficient. Customers may become easily distracted when a product is expensive, purchased only occasionally, and self-expressive.

Shyam Sundar (2020) This study is descriptive since its overarching goal is to identify the strength of associations between a group of factors that affect women's purchasing

decisions in the jewellery market. Primary sources were used for the data analysis in this research. The buying habits of women in regards to branded jewellery was studied in depth.

Priya Narayanan (2023) Gold jewellery is typically priced based on the quantity of gold in the product with additional “making charges” as a percentage of the quantity of gold. For customers who buy gold as a financial asset, low making charges will continue to be attractive, but this segment of customers is declining gradually as avenues for investment in gold bars and paper assets linked to gold become more popular.

Statement of the Research Problem

Understanding consumer behaviour towards purchasing gold jewellery in India remains a critical yet unresolved issue. The complexities surrounding consumer preferences, motivations and decision-making processes, especially regarding traditional versus modern designs and branded versus non-branded options, necessitate deeper investigation. Additionally, the evolving socio-economic and cultural dynamics, coupled with the influence of digitalization and e-commerce platforms, further complicate the landscape. Unravelling these dimensions is crucial for industry stakeholders, policymakers and researchers to effectively cater to diverse consumer segments and preserve the cultural significance of gold in the Indian context.

Objectives of the Study

- To analyse & check the buying behaviour of the customer towards Gold Jewellery, design & services, etc.
- To examine the factors determining the mindset customer behaviour towards trends & fashion in the purchase of jewellery in particular.
- To observe the factors which influence of cultural factors on consumer buying behaviour towards gold jewellery.

Methodology

The methodology for investigating consumer behaviour towards purchasing gold jewellery in India involves employing surveys, interviews and focus groups to gather data from both physical jewellery stores and online platforms. Statistical software will be utilized for data analysis. Sampling will employ simple random sampling techniques to select 50 Indian consumers, considering demographics such as age, gender and income. Data collection will include structured surveys, in-depth interviews and focus group discussions to capture both quantitative and qualitative insights into preferences, motivations and purchasing behaviour.

Primary data were collected from 50 respondents using questionnaire and secondary data were collected from related websites, books and magazines.

Percentage analysis and Chi-square analysis were used for analysing data.

Expected Outcome

Understanding consumer behaviour towards purchasing gold jewellery in India has significant implications for various stakeholders including jewellery retailers, marketers, policymakers and consumers themselves. For retailers and marketers, insights derived from this research can inform product development, pricing strategies, promotional activities and customer engagement initiatives tailored to the preferences and needs of Indian consumers. Policymakers can utilize findings from this study to formulate regulations and policies aimed at promoting transparency and consumer protection in the gold jewellery market.

Additionally, consumers can benefit from a better understanding of the factors influencing their purchasing decisions, enabling them to make informed choices and maximize the value of their gold jewellery investments.

Data Interpretation

The analysis and interpretations of 50 selected respondents from the city of Tiruchirappalli related to the topic was made. The opinion and relevant information of respondents were collected through a questionnaire consisting of personal and learning factors. The collected data were classified and tabulated and completed according to the research objectives with the following statistical tools.

Percentage Analysis

Percentage analysis is mainly done to determine what percentage of respondents fall in each category. This analysis also helps to standardize the respondent's views on different aspects. This analysis was performed on all questions in the questionnaire.

Table 01: Describe the Descriptive Variable of the Respondents

Particulars	Frequency	Percentage
AGE		
18-25	44	88.0
26-30	6	12.0
Total	50	100.0
Gender		
Female	29	58.0
Male	21	42.0
Total	50	100.0
Education Qualification		
HSC	5	10.0
PG	4	8.0
UG	41	82.0
Total	50	100.0
Occupation		
House wife	1	2.0
Private employee	3	6.0
Professional	2	4.0
Student	44	88.0
Total	50	100.0
Monthly Income		
>50000	2	4.0
10000-20000	31	62.0
20001-30000	10	20.0
30001-40000	5	10.0
40001-50000	2	4.0
Total	50	100.0
Marital Status		
Married	6	12.0
Unmarried	44	88.0
+ -Total	50	100.0

Interpretation

From the above table 01, it is clear that the complete profile of the respondents shows that:

- The above table shows that 88% of respondents are 18-25 age 12% of respondents are 26-30 age.
- The table shows that 58% of respondents are female and 42 % of respondents are male.
- The table clearly shows that 10% of respondents are HSC, 8% of respondents are PG and 82% of respondents are UG.
- The table clearly shows that 2% of respondents are house wife, 6% of respondents are private employee, 4% of respondents are professional, 88% of respondents are students.
- The table shows that 4% of respondents monthly income is >50000, 62% of respondents are 10000- 20000, 20% of respondents are 20-30000, 10% of respondents are 30-40000, 4% of respondents are 40- 50000.
- The table shows that 12% of respondents are married and 88% of respondents are unmarried.

Table 02: Describes Relationship between Gender and Interesting In Buying and Wearing Gold Jewellery

Chi-square Test

	Value	df	Asymp.Sig.(2-sided)
Pearson Chi- Square			
Continuity Corrections	.271 ^a	1	.603
Likelihood Ratio	.047	1	.828
Fisher's Exact Test	.270	1	.604
N of Valid Cases	50		

a.0 cells (0%) have expected count less than 5. The minimum expected count is 7.14

b. computed only for a 2x2 table

H0: There is no significant relationship between Gender and Interesting in buying and wearing gold jewellery

H1: There is a significant relationship between Gender and Interesting in buying and wearing gold jewellery

Findings

- Majority of 88% of respondents are 18-25 age
- Majority of 58% of respondents are female
- Majority of 82% of respondents are UG
- Majority of 88% of respondents are students
- Majority of 62% of respondents monthly income is >50000
- Majority of 88% of respondents are unmarried.

Suggestions

- Determine the relationship between gold prices and consumer behaviour: Use statistical tools such as regression analysis to identify any correlations between changes in gold prices and changes in consumer behavior. Look for trends in consumer demand, price elasticity, and purchase patterns to see how they are affected by changes in gold prices.
- Analyze consumer attitudes towards gold: Use survey data to analyze consumer attitudes towards gold as an investment and a commodity. Look for patterns in consumer perceptions of gold's value and how these perceptions change in response to price fluctuations.
- Segment the market: Segment the market based on demographic and behavioural characteristics such as age, income, and purchasing habits. This will help to identify different consumer groups that may be more or less sensitive to changes in gold prices.

II.CONCLUSION

Based on the analysis of the data collected for the study it can be concluded that changes in the price of gold have a significant impact on consumer behaviour. The study found that as gold prices rise, consumer demand for gold tends to decrease, while lower gold prices tend to increase consumer demand. However, the study also found that the level of sensitivity to price changes varies among different consumer segments. Consumer attitudes towards gold were also found to play an important role in determining their purchase behaviour. Those who view gold primarily as an investment tend to be more sensitive to price fluctuations than those who view gold primarily as a commodity for adornment or gifting purposes.

External factors such as macroeconomic conditions and global events were also found to influence consumer behaviour. In times of economic uncertainty, for example, consumers may view gold as a safe haven and increase their demand for the metal.

In light of these findings, it is recommended that businesses and policymakers closely monitor changes in the gold market and adjust their strategies accordingly. Businesses may need to adjust their pricing and marketing strategies to align with consumer

preferences, while policymakers may need to take steps to stabilize the market and address external factors that could affect consumer behaviour. In conclusion, the study demonstrates that changes in the price of gold have a significant impact on consumer behaviour and that businesses and policymakers need to take this into account when making decisions.

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