

Consumer Attitude towards Gold Market: An Empirical Study

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Abstract: *When there are alternative investments available to consumers why they prefer buying jewels, will be of more useful information to anybody. In this way it becomes important for the merchants to know the changing preferences of customers. As gold is preferred for all occasions, it is viewed that there is still more scope for this business. Jewellery is a very vast field to study upon because for every culture and religion we have different style of jewellery. A Recent growth of gold jewellery shops market in Kerala is very high. Number of gold jewellery shops in Kerala has doubled in the last 10 years. This remarkable growth has prompted to conduct a detailed analysis about this market. The study is conducted to analyses this market to know the most preferred gold jewellery shops in terms of quality, price and customer service among the customers and to find out whether advertisement given by the gold jewellery shops in various medias affect the customers purchase decision. This study makes an attempt to give an idea to the customers about good quality gold jewellery shop and various during their purchase.*

Key Words: *Consumer preference, gold market, advertisemnt, Kottayam Taluk.*

1. INTRODUCTION:

Nowadays gold is considered equivalent as money because of its liquidity and as an effective source of indirect exchange. This definitely increases the demand of gold, and people around the world are competing to buy this to increase their wealth. Increased demand of gold and other precious metals obviously increased the importance of jewellers for past some decades. In India gold and gems industry is considered as a vital part of the development of the economy. Major two segments of the Indian jewellery industry are gold and diamonds, of which gold segment alone covers around 80 percent of this industry. India is one of the largest exporters of gems and jewellery and is reported an export of US\$ 35.59 billion during the financial year 2016-17. When it comes to the state level, Kerala is the largest state which is made the highest expenditure on gold. As per National Sample Survey Office(NSSO) report, Kerala comes to the first place regarding gold consumption with the monthly per capita expenditure of Rs 208.55 in rural and Rs 189.95 in urban areas. This shows the demand and preference of gold in Kerala. This study intending to analyze the customer's attitude towards jewellery markets and to understand their preference of various jewellery shops in Kottayam District.

2. REVIEW OF LITERATURE:

Prabha Kumari K. and Anitha M. (2016) in their study, finds that advertisement can greatly influence the brand preference more than mouth publicity. Advertisement and age are directly correlated and it can certainly influence the purchasing decision of a customer. The study also comments that promotions and exhibitions can attract more customer rather than tradition or image.

Joseph A Xavier and Kamalam G (2016), in their study, "A Study on Perception of Consumers towards Gold Jewellery in Sivakasi, Tamil Nadu" , opines about that the traditional jewellery shops must provide adequate information to the privileged customers regarding the products and offers in order prevent them being switched to other shops.

Janaki .N and Manivannan .L (2016) in their research paper titled , "Consumer preference and satisfaction of jewellery products", identifies seven factors such as financial services, quality of the jewellery products, loyalty services, operational quality services, professional services, social status and purity of the jewellery, which all can directly influence the satisfaction level of customer.

Kaveri .R & John A William(2015), conducted a study to analyze the buying behaviour of customer towards gold jewellery and finds that major buying motive of the customer is his annual income and customer service. A strong correlation existing between the service perception factors and the purchasing habit. The study also points out that , not only the product and its variety alone cannot influence the buying decision instead there are several other influential factors are attracting customers to the shops.

3. OBJECTIVES OF THE STUDY:

- To analyze the customer preference of various jewellery metals
- To study the factors affecting the selection of jewellery shops
- To understand the factors influencing the choice of selection.
- To analyze the impact of advertisement on purchasing decision
- To understand the satisfaction level of respondents towards various jewellery shops
- To find out the most preferred gold jewellery shops in Kottayam District.

4. HYPOTHESIS OF THE STUDY:

- H0: there is no significant relationship between advertisement and buying behaviour of respondents.
- H0: There is no significant relationship between gender and buying behaviour of respondents.
- H0: There is no relationship between the customer satisfaction and brand preference.

5. RESEARCH DESIGN:

The present study is descriptive and empirical in nature. Both primary and secondary data have been used for the study. Primary data collected from the customers who are buying gold for different purposes, in the Kottayam district of Kerala. Secondary data have been collected from different books, journals, magazines, dissertations, periodicals, annual reports and publications of different agencies, websites etc. A well structured interview schedule was prepared for the collection of primary data from the respondents. A pilot study was conducted by collecting data from ten samples. After the pilot study the interview schedule was restructured and finalized. Statistical tests like Chi-square, ANOVA had been used to test the hypothesis.

5.1 Sample Design

Kottayam Taluk of Kottayam district has been purposely selected for the study. Kottayam Taluk contains 26 villages of which 5 villages, namely Manarcadu, Ettumanoor, Chengalam, Nattakom and Panachikkadu were selected for the study. 20 respondents from each village were selected which constitute total 100 samples for data collection.

6. ANALYSIS:

6.1 Demographic Profile of the Respondents

Table: 6.1 Demographic Profiles of the Respondents

Gender	Age		Marital		Family Income (year)		
	No	No	No	No	No	No	
Male	30	<20	10	Married	56	<200000	10
Female	70	25-40	75	Un married	44	200000-500000	35
		>40	15			> 500000	55
Total	100		100		100		100

Source: Primary Data

Table 6.1 shows the demographic details of the respondent's. Out of 100 samples 70 respondents are female and 30 are male. Majority of the respondents belongs to the age group of 25 to 40 years of age and 10 respondents' belongs to the group of below 20. 56 respondents are married while 44 are unmarried. 55 respondents have yearly family income of more than 500000 and 35 respondents belonging to the yearly income group of 200000 and 500000 and only 10 respondents have an income of below 200000 in an year.

6.2 Analysis of consumer preference to brand

Table 6.2 Consumer preference to brand

Category	Kalyan	Alappat	Joy Alukkas	Bhima	Josco	Others	Total
Respondents	17	15	14	19	28	7	100
Percentage	17	15	14	19	28	7	100

Source: Primary Data

The table 6.2 shows the most preferring jewellery brand in Kottayam district. 28 respondents of the sample area select Josco as their first option. 19% of the respondents prefers Bhima jewellery. 17% of the respondents prefer Kalyan Jewellers. 15% of the respondents prefer Alappat jewellers. 14% of the respondents choose Joy Alukkas as their favourite jewellery brand.

6.3 Analysis of criteria for selecting a brand

Table 6.3 Table showing Criteria for selecting a brand

Category	No. of respondents						Total
	Kalyan	Alappat	Joy Alukkas	Bhima	Josco	Others	No.
Good quality	5	4	2	5	8	1	25
Low making charges	3	1	3	3	3	1	14
Latest design	3	3	1	3	2	2	14
Gift and discount	3	3	3	2	5	2	18
customer services	3	4	5	6	10	1	29
Total	17	15	14	19	28	7	100

Source: Primary data

Table 6.3 shows the criteria for the choice of selection of particular jewellery. Majority of the respondents opined that good customer services as their first criteria. 25 % of the respondents prefer quality as their motivating factor. 18% of the respondents were given importance to gift and discount available. While 19% of the respondents giving preference to latest design and the remaining 18% opined low making charges as their choice of selection.

6.4 Analysis of purchase decision influenced by advertisement

Table 6.4 Purchase decision influenced by advertisement

Category	respondents	Percentage
Yes	53	53
No	47	47
Total	100	100

Source: Primary data

The table 6.4 shows that the 53% of the respondents are influenced by advertisement. 47% of respondents are not influence by any advertisement.

6.5 Analysis of the influence of media on purchasing decision

Table 6.5 Purchase decision influenced by the media

Media	No. of respondents						Total
	Kalyan	Alappat	Joy Alukkas	Bhima	Josco	Others	No.
Television	6	6	2	7	8	1	30
Newspaper	4	4	2	5	8	2	25
Magazines	4	3	4	5	6	2	24
Others	3	2	6	2	6	2	21
Total	17	15	14	19	28	7	100

Source: Primary data

Table 6.5 explains that, 30 respondents are influenced by the television advertisement. 25 respondents are influence by the newspaper. 24 respondents are influenced by magazines and 21 are influenced by other means of advertisements.

6.6 Analysis of the preference on precious metals

Table 6.6 Preference on precious metals

Category	No. of respondents						Total
	Kalyan	Alappa t	Joy Alukkas	Bhima	Josco	Others	No.
Gold	11	10	10	11	13	1	56
Platinum	1	0	0	1	1	0	3
Diamond	5	5	4	6	10	1	31
Silver	0	0	0	1	4	5	10
Total	17	15	14	19	28	7	100

Source: Primary data

Table 6.6 depicts the preference of respondents over various metals of jewels. 56 respondents prefer gold as their first choice. 31 respondents opined diamond as their first preference of buy. The 10 respondents choosing are silver as their choice while only 3 respondents preferring silver as their buying choice.

6.7 Analyses of Benefit of investment in gold

Table 6.7 Benefit of investment

Category	No. of respondents						Total
	Kalyan	Alappat	Joy Alukkas	Bhima	Josco	Others	No.
Liquidity	8	7	6	7	10	2	40
Safety	5	3	3	5	7	1	24
Profitability	4	5	5	7	11	4	36
Total	17	15	14	19	28	7	100

Source: Primary data

The table 6.7 shows the respondents opinion regarding benefit for investment in gold. 41 respondents say that investment in gold has the benefit liquidity. 36 respondent's opinions it is more profitable. 24 the respondents says that gold is the most safety avenue of investment.

6.8 Analyses of the factors influencing choice of selection

Table 6.8 Factors influencing choice of selection

Category	No. of respondents						Total
	Kalyan	Alappat	Joy Alukkas	Bhima	Josco	Others	No.
variety of designs	5	2	4	7	7	1	26
Excellency of quality	4	4	3	4	7	3	25
Good exchange offers	1	3	2	3	7	3	19
Certification	7	6	5	5	7	0	30
Total	17	15	14	19	28	7	100

Source: Primary data

Table 6.8 depicts the factors influencing the choice of selection of particular jewellery shop. 30 respondents considers jewellery certification as the important factor of selection. 26 respondents opined , variety of design will attract more customers. 25 respondents given importance to the quality of product. And 19 respondents thinking good exchange offers can be better option for selection.

6.9 Analyses of the service facilities available in jewellery

Table 6.9 Service facilities available.

Rating	No. of respondents						Total
	Kalyan	Alappat	Joy Alukkas	Bhima	Josco	Others	No.
Excellent	4	3	3	5	8	3	26
Good	6	6	1	7	8	1	29
Average	4	4	4	4	6	2	24
Poor	3	2	6	3	6	1	21
Total	17	15	14	19	28	7	100

Source: Primary data

Table 6.9 ranks the service facilities provide by various jewellers to the respondents. 29 respondents say that service facilities are good. 26 respondents comments that they are receiving excellent services. 24 respondents ranks about average service facility they are received. The remaining 21 respondents say that service facility availed to them are poor.

6.10 Analysis of level of customer satisfaction

Table: 6.10 Table showing customer satisfaction

Category	No of Respondents					Others	Total
	Kalyan	Alapatt	Joy Alukkas	Bhima	Josco		
Very Satisfied	11	7	7	14	18	3	60
Satisfied	4	5	5	4	9	1	28
Nor Dissatisfied	1	1	1	1	1	1	6
Dissatisfied	1	1	1	0	0	1	4
Very Dissatisfied	0	1	0	0	0	1	2
Total	17	15	14	19	28	7	100

Source: Primary data

Table 6.10 depicts the satisfaction level of customers with different jewellery shops. 60 respondents opined that they are very satisfied with the purchase in jewellery shop. 28 respondents report that they are satisfied with the purchase. 6 respondents are neither or nor dissatisfied. 4 respondents opined that they are dissatisfied with the jewellery shops and remaining 2 respondents mark their opinion as very dissatisfied.

6.11 Testing of influence of advertisement and buying behavior of respondents

H0: there is no significant relationship between advertisement and buying behaviour of respondents.

Table: 6.11 Table showing influence of advertisement and buying behaviour

Advertisement influence Buying behaviour	Yes	No	Total
Good quality	11	10	21
Low making charges	10	8	18
Latest design	10	10	20
Gift and discount	12	8	20
Good customer services	11	10	21
Total	54	46	100

Source: Primary data

The result shows the Chi-square value is 0.4805 and the p -value .975368 at a 5 % level of significance. It can be concluded that, the null hypothesis is accepted and there is no significant relationship between advertisement and buying behaviour of respondents.

6.12 Testing of influence of advertisement and buying behavior

H0: There is no significant relationship between gender and buying behaviour of respondents

Table: 6.12 Table showing gender difference and buying behaviour

Gender	Male	Female	Total
Buying behaviour			
Good quality	8	14	22
Low making charges	5	13	18
Latest design	6	13	19
Gift and discount	6	14	20
Good customer services	5	16	21
Total	30	70	100

Source: Primary data

The result shows the Chi-square value is 0.8723 and the p -value .928494 at a 5 % level of significance. It can be concluded that, the null hypothesis is accepted and there is no significant relationship between gender and buying behaviour of respondents.

6.13 Testing of influence of advertisement and buying behavior

H0: There is no relationship between the customer satisfaction and brand preference.

Table: 6.13 Table showing customer satisfaction

Category	No of Respondents					Total
	Very Satisfied	Satisfied	Nor Dissatisfied	Dissatisfied	Very Dissatisfied	
Kalyan	11	4	1	1	0	17
Alapatt	7	5	1	1	1	15
Joy Alukkas	7	5	1	1	0	14
Bhima	14	4	1	0	0	19
Josco	18	9	1	0	0	28
Others	3	1	1	1	1	7
Total	60	28	6	4	2	100

Source: Primary data

ANOVA TABLE

Source	SS	DF	MS
Between samples	406.6667	4	101.6667
Within samples	184	25	7.36
Total	590.6667	29	

F-value is 13.813341 and the table value is 2.99 with 5 % level of significance. Hence the calculated value is more than the table value we reject the null hypothesis and state that there is a relationship exists between customer satisfaction and brand preference.

7. FINDINGS OF THE STUDY:

- Josco Jewellery is the most preferred brand in the sample area.
- Good customer service is the major factor which can influence the selection of particular jewellery shops.
- Majority of the respondents are influenced by television advertisements
- Gold is the most preferred ornament because of its liquidity
- Certification of jewellery ranked as first regarding the choice criteria by the respondents
- Majority of the respondents are very much satisfied with the various services provided by jewellery shops.
- There is no significant relationship between advertisement and buying behaviour of respondents.
- There is no significant relationship between gender and buying behaviour of respondents.
- There is a relationship exists between customer satisfaction and brand preference.

8. SUGGESTIONS:

- Steps should be taken to attract male customers, by bringing more male oriented products to the market.
- Most of the respondents consider customer services as the major criteria for selecting a brand, so jewellery shop should provide more customer services.
- Advertisement has a great influence on the purchasing decision of customers. More innovative advertisement styles can attract more customers.

9. CONCLUSION:

The success of every business is mainly depends up on the customers. In the Gold market customers are more precious for us. Today more and more competition with many jewelry shops to retaining the customers. So every jewelry owners, salesman can be observing their customer preference and providing their service to valuable for the customers.

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