

## A STUDY OF CONSUMER BUYING BEHAVIOUR FOR PURCHASING OF DIAMOND JEWELLERY FROM BRANDED RETAILERS

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**Abstract :** Consumer behavior in the world differs from the predicted by the economist in the world. The Indian gems & jewellery industry is one of the fastest growing sector in Indian economy with an annual growth of approximately 15%. The domestic market is estimated to be around 17 billion US \$. India is the largest consumer of gold in the world. It consumes nearly 850 tonnes of gold that accounts for 20% of world gold consumption. This paper sought to explore and study factors influencing consumer buying behaviour to selected branded jewellery product from branded retailers like. This study would help to get a clear idea about consumer's expectations, evaluations and management perceptions about consumer's expectations and develop right strategy to enhance branded jewellery retailing. This study also helps to get a clear idea about the customer's expectation, perception and attitudes of consumer towards buying branded jewellery.

### INTRODUCTION

Consumer behaviour can be defined as the decision making process which involves in acquiring, evaluating, using of goods and services. Today's consumers consider numbers of option before he takes a decision of buying a product or not to buy a product. The consumer buying decision process looks at how consumers make buying decision. (Kotler and Armstrong). The consumer buying behavior is a complex process as a number of internal and external factors influence the buyer's decision making. A process of buying starts in the mind of the consumer, which helps them to find out alternatives available in the market. A consumer who is highly involved with a product would be interested in knowing a lot about it before purchasing. Hence he reads brochures thoroughly, compares brands and models available At different outlets, as question, and look for recommendations. Thus consumer buying behaviour can be defined as heightened state of awareness that motivates consumer's to think about product information prior to purchase. The study of consumer helps the jewellery companies to improve their marketing strategies by understanding issues such as the psychology of how consumers think about product. Consumers are looking for the best deal on the things that they want to buy and are expecting companies to market products to show why their product should be bought and where that product can be found.

### LITERATURE REVIEW:

Indu Rao (2009) Organizing the un-Organized? The Rise, Recession and Revival of the Indian Diamond Industry Working Paper Published in The Indian Institute of Management, Ahmedabad Research and Publications W.P. No. 2009-09-01 Page No 01- 28 September – 2009. The Indian diamond industry thrives in the atmosphere of secrecy and informality that envelops the diamond trade and has for long been labeled as an unorganized sector of the economy. An in-depth study of the industry reveals that the so called unorganized sector is in fact highly organized and has great potential to offer so useful insights to the field of management in terms of new forms of organizing, networking, business processing and for doing international business. This paper presents summary of findings from research conducted in the

Indian diamond industry over a period of last four years.

Baranwa Shashank(2009) told in his study “A study on the jewellery industry “ that the industry of jewellery has boomed in the past few years due to the increased demand of fashionable jewellery. The Gitanjali Group is one of the largest, and fully integrated diamond and jewellery manufacturing and retailing companies in India that successfully manages four of the 10 best-known jewellery brands in India today. The four brands – Asmi, Nakshatra, D’Damas and Gili – are unique with structured positioning and branding that endows each with a unique brand persona and character.

Paul Noronha(2005) in her study “Brand appeal” that published in THE HINDU Volume 22 - Issue 23 mentioned that Branded jewellery has carved a niche for itself in the tough Indian market and Its increasing growth rates show that before long it will corner a significant share of the jewellery market. DTC's Supplier aims to grow consumer demand for diamond jewellery in the context of the growing competitive luxury goods sector.

#### **BRANDED JEWELLERY IN INDIA:**

The journey of branded jewellery in India has been full of trials and tribulation branded jewellers has to coax consumer out of buying jewellery from their family jewellery. Branded jewellery is the new mantra in the market, having rapidly acquired a niche over the past few years. Increasing purchasing power and disposable incomes of India’s middle class has resulted in consumption growth of this industry by about 11 per cent in the five-year period 2009-2014. Branded jewellery also gained acceptance forcing traditional jewelers to go in for branding. Given the opportunities the branded jewellery market offered; the number of gold retailers in the country increased sharply. Add to that the insatiable Indian craving for gems and jewellery, and the demand will increase to US\$ 20 billion by 2010 and US\$ 30 billion in 2014, according to industry experts. A number of individual players in the branded jewellery sector are recording close to 80 percent growth rate. Growth prospects for the Indian economy are extremely bright which would translate to greater sales of branded jewellery. Within the jewellery retailing market in India, the share of gold jewellery is estimated to be around 80%, according to CRISIL Research. The two major sub segments within jewellery are gold (22 carat and above) and diamonds, with the former constituting of 80% of the value of jewellery consumption and the balance 20% comprising of diamonds (15%) and gemstone jewellery. The overall size of domestic Gems and Jewellery sector is pegged at Rs. 870 billion as of 2008-09 according to a FICCI - Technopak study and is expected to grow up to Rs. 1,832 billion by 2014-15. Major players for branded jewellery in the market are Asmi, D’damas, Gili, Kisna, Nakshatra, Reliance, Tanishq, and recently Kalyan Jewellers in Mumbai.

#### **OBJECTIVES:**

The objectives of the study are:

1. To identify the buying motives of consumer while selecting branded jewellery products.
2. To study about consumers purchasing behaviors.
3. To identify the brand awareness of various brands in the jewellery industry.

#### **HYPOTHESES OF THE STUDY:**

- H1 – Age and likes and dislikes for Purchasing Jewellery Product are independent of each other.
- H2 – Gender and Buying behaviour are independent of each other
- H3 – Income and Buying Motives are independent of each other
- H4 – Type of branded product has direct influence on consumer purchasing behaviour.

#### **RESEARCH METHODOLOGY:**

#### **RESEARCH DESIGN:**

The survey was aimed at knowing consumer preference towards branded diamond jewellery and the reasons for buying the branded or unbranded diamond jewellery. The research design used is causal research as the objectives are to determine which factors influence them the most while making a jewellery purchase. The research is complex in nature and the researcher can be completely certain that there are not other factors influencing the relationship especially when dealing with people’s attitudes and motivation.

**DATA COLLECTION:**

**PRIMARY DATA**

The data has been collected directly from the respondents through a structured questionnaire.

**SAMPLING DESIGN & SAMPLE PLAN:**

The sample design adopted for the research problem in hand is convenience sampling. The sample size for the study was 100 consumers selected randomly which includes male and female consumer. The sample research area for the study is Mumbai city.

**TOOLS APPLIED:**

Statistical tools such as Tabulation, Charts and Chi-square test of Independence of Attributes were used for analyzing the data.

**ANALYSIS:**

The analysis of the respondent is present below; the analysis is presented under various classifications to the category to which the respondent belongs. The analysis is presented under various age group between age of 18-30, 30-50 years and 50 years and above enthusiastically participated in the study.

**Table 1: Respondents of Consumers on the basis of Age and Selection Criteria for Purchasing diamond Jewellery from branded showroom listed below:**

<i>Age?</i> <i>Company Brand</i>	<b>18-30</b>	<b>30-50</b>	<b>50 &amp; Above</b>	<b>Total</b>
<i>Asmi</i>	5	5	2	12
<i>Ciemme</i>	6	5	2	13
<i>D'damas</i>	3	5	2	10
<i>Kisna</i>	4	5	3	12
<i>Nakshatra</i>	6	5	2	13
<i>Reliance</i>	3	4	2	9
<i>Tanishq</i>	7	6	3	16
<i>Kalyan</i>	6	6	3	15
<b>Total</b>	<b>40</b>	<b>41</b>	<b>19</b>	<b>100</b>

Source: Survey Results

Table 1 shows the preference of different age group for different brands. The statistic illustrate that there are 40% of the respondent were 18 years to 30 years, 41% were 30 years to 50 years whereas, 19% respondent were between the age of 50 years and above. Among 8 different brands Tanishq got 16% responses followed by Kalyan Jewellers 15% of response, 13% response to Ciemme and Nakshatra, 12% response to Asmi and Kisna and 10% and 9% to D'damas and Reliance respectively.

**TESTING OF HYPOTHESES:**

H1 – Age and Selection Criteria for Purchasing Jewellery Product are independent of each other.

To test this Hypothesis Table No. 1 was modified by clubbing the age groups of

- i) 18 years to 30 years, 30 years to 50 years and 50 years and above
- ii) Company Brands, Asmi, Ciemme, D'da mas, Kisna ,Nakshatra, Reliance, Tanishq and Kalyan jewellers

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as the cell frequencies will be more than or equal to 5.

The Chi- Square Test was applied.

Level of Significance used was 5%.

Degrees of Freedom were 4.

Table Value at 5% l.o.s. = 9.488

The Chi- square Statistic calculated by the formula  $\chi^2 = \sum \frac{(O-E)^2}{E}$  .

Calculated value = 8.817681

Decision: Since Calculated Value is less than table value, The Null Hypothesis is accepted.

Conclusion: Age and Selection Criteria for Purchasing Jewellery Product are Independent of each other.

Table 2: Consumers on the basis of Gender and Buying Motives

Gender? Buying Motives?	Male	Female	Total
<i>Wedding</i>	9	9	20
<i>Festival</i>	11	12	23
<i>Birthday</i>	7	9	16
<i>Extra Income</i>	10	8	18
<i>Gift</i>	9	9	18
<i>Others</i>	5	2	7
<b>Total</b>	<b>51</b>	<b>49</b>	<b>100</b>

Source: Survey Results

Table 2 displays the data regarding the consumer behaviour related to gender and their buying motive to buy diamond jewellery. The research has highlighted six different buying motives to different gender where the male respondent 51% and female 49% towards different buying motives.

H2 – Gender and Buying Motives are independent of each other.

To test this Hypothesis Table No. 2 was modified by clubbing frequencies of Buying Motives Extra Income, gift and Others so as the cell frequencies will be more than or equal to 5.

The Chi- Square Test was applied.

Level of Significance used was 5%.

Degrees of Freedom were 3.

Table Value at 5% l.o.s. = 7.815

Table No. 5 Modified table (Observed Frequencies)

The Chi- square Statistic calculated by the formula  $\chi^2 = \sum \frac{(O-E)^2}{E}$  .

Calculated value = 3.076124

Decision: Since Calculated Value is Less Than Table Value. The Null Hypothesis is accepted.

Conclusion: Gender and Buying Motives are Independent of each other.

**Table 3: Consumer on the basis of Income and Buying Motives:**

Income in RS ? Motives?	< 25,000/-	25,000/- to 50,000/-	50,000/- to 75,000/-	75,000/- & Above	Total
<i>Wedding</i>	2	8	6	7	23
<i>Festival</i>	4	6	5	5	20
<i>Birthday</i>	3	5	4	7	19
<i>Extra Income</i>	0	1	2	9	12
<i>Gift</i>	1	1	6	11	19
<i>Others</i>	0	1	5	1	7
<b>Total</b>	<b>10</b>	<b>22</b>	<b>28</b>	<b>40</b>	<b>100</b>

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Table 3 carries the data on the basis of income of respondent and buying motives. Where the researcher has grouped the income in different categories where upto income of 25,000/- the responses was only 10% of consumer, the income between 25,000/- to 50,000/- the response of customer to buy branded jewellery was 22%, 50,000/- to 75,000/- the response was 28% and the income of the consumer who earns more than 75,000/- shows a response of 40%.

[C] Ho – Income and Buying Motives are independent of each other.

To test this Hypothesis Table No3 was modified by clubbing frequencies of (a) Buying Motives Birthday Extra Income, gift and others and (b) Income groups 50,000-75,000 and 75,000 & above so as the cell frequencies will be more than or equal to 5.

The Chi- Square Test was applied.

Level of Significance used was 5%.

Degrees of Freedom were 4.

Table Value at 5% I.o.s. = 9.488

The Chi- square Statistic calculated by the formula  $\chi^2 = \sum \frac{(O - E)^2}{E}$  .

Calculated value = 7.433459

Decision: Since Calculated Value is Less Than Table Value , The Null Hypothesis is accepted.

Conclusion: Income and Buying Motives are Independent of each other.

**Chart No.1: Classification of consumer on basis of brand selection:**

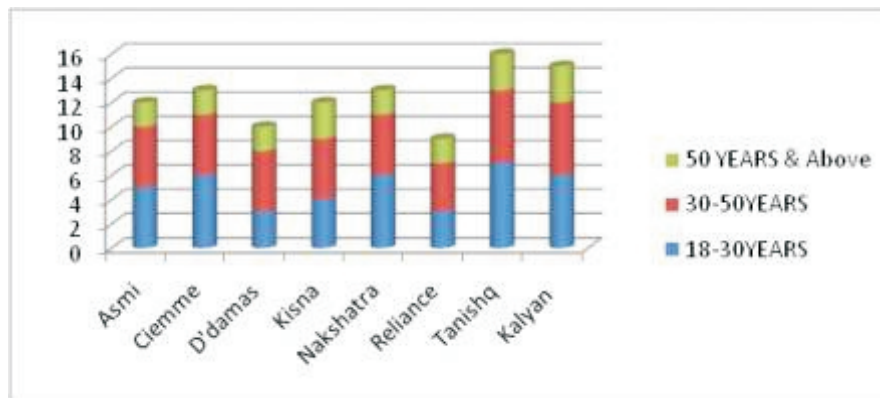


Chart No. 1 in the paper shows the detail of the popularity of brands in diamond jewellery among the respondent is Tanishq jewellers with 16% which is highest among the choice of consumer followed by Kalyan jewellers by 15%, 13% by Nakshatra and Ciemme, 12% by Asmi Jewellers and 10% and 9% by D'damas and Reliance respectively.

### FINDINGS OF THE STUDY:

1. The study made consumer buying behaviour for purchasing of diamond jewellery which depends on the quality assurance of product given by retailers.
2. Diamond jewellery is purchased by high income group only.
3. Most of the middle class people prefer to buy the diamond jewellery from their family jewellers.
4. The main preference of buying diamond jewellery is purchased only on wedding and festivals only.
5. Most frequently diamond jewellery is rings

### CONCLUSION

The study shows that Indian organized retail market is growing at a fast pace due to boom in the Indian retail Industry which has crossed Rs. 1000 billion by 2010. The Indian consumer is emerging as a very big consumer market for diamond jewellery and offering a very lucrative opportunity for major brands to establish presence in Indian market. Branded jewellery is a new mantra in the consumer market having rapidly acquired a niche over the past few years. Increasing purchasing power and disposable incomes of India's middle class has resulted in consumption growth of the industry by 11% in last five years preceding 2008-09. The Indian retail scene is set to flourish and there is no looking back for those who know how to sell jewellery to Indian women, since buying jewellery is a part of Indian a tradition and customs.

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5. Philip Kotler, (2006), B2B Brand Management, Germany, pp 19,209.

**MAGAZINES:**

1. Solitaire International
2. Diamond Digest

**WEB SITES:**

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2. [www.Google.com](http://www.Google.com)
3. [www.brandedjewellery.com](http://www.brandedjewellery.com)
4. [www.diamond.net.com](http://www.diamond.net.com)
5. [www.icmrindia.org/free%20resources/casestudies/branded-gold-jewellery1.htm](http://www.icmrindia.org/free%20resources/casestudies/branded-gold-jewellery1.htm)  
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