FACTORS INFLUENCING CUSTOMER SATISFACTION ON PURCHASE OF GOLD JEWELLERY IN ERODE DISTRICT

Dr. H. Vasudevan* & C. Vidhya**

* Associate Professor & Head, Department of Commerce with CA, Kongu Arts and Science College (Autonomous), Erode, Tamilnadu
** Assistant Professor, Department of Commerce, Kongu Arts Science College (Autonomous), Erode, Tamilnadu

Abstract:
Gold jewellery is a store of value, display of wealth and position and a basic part of various rituals. Gold purchase is supported by various preferences and behaviour among the customers. Customer satisfaction is influenced by various factors connected with the brand, price, showroom, and quality of gold jewellery. Therefore, this study has been initiated to examine the various factors influencing customer satisfaction on purchase of gold jewellery. This study is carried out with a sample of 100 customers; data has been collected by using questionnaire among the gold purchasing customers. The survey instrument is constructed with four parts, such as socio-economic background, customer preference, buying behaviour, and factors influencing customer satisfaction. This study employed simple percentage analysis, Friedman's chi-square test, t-test, and factor analysis to analyse the collected data. It was concluded that customer preference and buying behaviour provides some sort of experience on gold jewellery buying which have ultimate influence on customer satisfaction.
Key Words: Customer, Customer Preference, Buying Behaviour, Gold Jewellery, Gold Purchase & Customer Satisfaction

1. Introduction:

Gold is considered equal as money due to its liquidity and as an effectual source of indirect exchange. People around the globe are interested to buy gold to wear and show their wealth. Gold jewellery create emotional bond among the different segment people, it is a glamorous and precious metal. Gold expresses the status symbol to a person in the society. Gold investment is motivated as an investment activity among the people. Gold purchase depends on the personal demands and expectations of the individuals. Expectations and demands on gold purchase are different from person to person. Gold purchase present many benefits to the customer in the form of low risk, assumed as universal currency, personality sign, and vastly a precious asset. The conversion of raw gold into wearable desired ornament is called as jewellery. Customer satisfaction is highly connected with brand and reputation of the jewellery shops. Quality assurance in the sale of gold generously boosts customer satisfaction. Price charged on jewellery, wastage and charges on jewellery influences satisfaction. Furthermore, design availability, reliability, display, and acceptance of cards influences customer satisfaction.

2. Background of the Study:

Customer is a person who actually purchases a specific product or service from a seller. He used to buy a product on the basis of the gain they are going to attain on it directly or indirectly. The customers' preference on gold is different and there are abundant factors attributed to gold buying among the global people. It is quiet common among the individuals that every time the prices of gold are enhancing in common with other precious metals, people begin purchasing gold. Customers want to purchase gold at lower prices than at higher prices in the future. If they believe that the price of gold will augment in the future, they would like to buy it at current prices. The most significant factor that promotes them to purchase gold is its value in terms of money. The mass of ornamental gold purchase is still well-established in custom, something that has unquestionably been customized and formed by fashion trends and a design constituent over the years. The customer preference on gold purchase is linked with price, purity and design of the jewellery. The actual buying is only the part and result of the decision making process.

In buying process, the customer considers not only what, why and how to buy but other factors like where, under what circumstances, and how often the purchase is made. Buying behaviour has accomplished important respect; the customer spends more time examine a product than shopping. The information on buying behaviour assists the understanding of how the buyer is influenced in their existing environment. Knowing customers need, wants and buying behaviour is the basis of delivering a particular product to the market. Customers are more quality oriented when they are opting to select gold jewellery; hence it is highly required from the sellers to know each and every aspect involved with customer satisfaction. Customer satisfaction is the perfect outcome of perception on brand and buying behaviour and experience connected with the gold purchase.

3. Review of Literature:

Berad et al. (2015) revealed that design, display, purity, price, image, service, promotion and offers are the important factors bringing customer preference towards branded and non-branded jewellery. Jyothi & Babu (2014) showed that consumer preferences influenced by services provided, brand familiarity, promotional schemes and offers. Raju & Kumar (2013) found that customer preference highly relied on purity, design, price, variety, and brand image of the shop. Kaveri & William (2015) analyzed that buying behaviour towards gold jewellery, it shows that quality of gold, collections and variety can influence buying decision and behaviour towards purchase of gold jewellery. Rawal (2015) divulged that buying behaviour is mainly influenced by perception, expectation, and attitudes of the customers towards purchase of branded jewellery. Ramachandran & Karthick (2014) revealed that the attraction of branded jewellery is that it has a unique style that differentiates it from other jewellery. Janaki & Manivannan (2016) identified that quality of jewellery, loyalty service, operational quality, professional service, social status and purity factors all have direct influence on customer satisfaction. Ganpathi et al. (2010) emphasised that branded jewellery shops are gaining more popularity and customers are highly satisfied while making their purchase in branded jewelleries.

4. Objective of the Study:

This study has been initiated with the following objectives. These are as follows:
- To scrutinize the socio-economic background of customers.
- To examine the customer preference on purchasing gold jewellery in Erode district.
- To check the buying behavior of customers towards purchase of gold jewellery.
- To investigate the factors influencing customer satisfaction while purchasing gold jewellery in Erode district.

5. Research Methodology:

This study has been commenced with a sample of 100 customers of purchasing gold in Erode District of Tamil Nadu. The sample planned for the study is collected on the basis of simple random sampling. The sample has been identified from the customers who are purchasing gold in Erode district. Sample has been identified by interviewing the randomly selected customers. Structured and non-disguised questionnaire is distributed to collect data amongst the gold purchasing customers. The survey instrument consists of four parts; that is, the first part seeks to collect information on socio-economic background of customers. The second part seeks the customer preference on purchasing gold jewellery. The third part reveals about the buying behaviour of customers towards purchase of gold jewellery. The fourth part seeks the factors influencing customer satisfaction while purchasing gold jewellery. In order to get reliable and maximum pertinent results, the survey instrument has been pre-tested with 20 customers, which aimed to explore the facets associated with customer satisfaction. The study is based on descriptive research and it employed primary data. Socio-economic characteristics of customers is analysed with simple percentage analysis. Descriptive statistics has been used to analyse preference of customers, t-test has been used to check buying behaviour of customers. Factor analysis has been used to examine various factors influencing customer satisfaction.

6. Results and Discussions:

6.1 Socio-Economic Background of Customers:

The socio-economic background of customers has been examined through the characteristics such as, gender, age, marital status, educational qualification, monthly income, experience in gold purchase, number of family members and domicile status.

Table 1: Analysis of Socio-Economic Background

Characteristics	Distribution	Sample	Frequency
Gender	Male	23	23%
	Female	77	77%
Age	18 – 25 years	23	23%
	26 – 35 years	30	30%
	36 – 50 years	32	32%
	51 years & above	15	15%
Marital Status	Married	71	71%
	Unmarried	29	29%
Educational Qualification	School education	19	19%
	Degree/ Diploma	68	68%
	PG/ Professional	13	13%
Monthly Income	Less than Rs.20,000	35	35%
	20,000 – 40,000	48	48%
	More than Rs.40,000	17	17%
Experience in Gold Purchase	Less than 3 years	11	11%
	3 – 10 years	36	36%
	More than 10 years	53	53%

International Journal of Current Research and Modern Education (IJCRME)
Impact Factor: 6.925, ISSN (Online): 2455 - 5428
(www.rdmodernresearch.com) Volume 4, Issue 1, 2019

No of Family Members	Less than 3 members	23	23%
	3 – 5 members	66	66%
	More than 5 members	11	11%
Domicile Status	Rural	42	42%
	Urban	58	58%

Source: Primary Data

In table 1, gender of the customers shows that 77% are female and 23% are male. Age of the customers revealed that 23% are in 18 – 25 years of age, 30% are in 26 – 35 years of age, 32% are in 36 – 50 years of age, and 15% are in 51 years and above. Marital status shows that 71% are married and 29% are unmarried. Educational qualification discloses that 19% are falling under school education category, 68% are completed their degree or diploma, and rest 13% are completed professional or post graduate degree. 48% of the customers' monthly income ranges from Rs.20,000 to 40,000, 35% are in less than Rs.20,000, and 17% are in more than Rs.40,000. Experience in gold purchase of customers reveals that 53% of the respondents are having experience of more than 10 years in gold purchase, followed that 36% are in 3 – 10 years of experience and rest 11% of customers are belonging to less than 3 years of experience. Number of family members shows that 23% of customers are in less than 3 members' family size, 66% are in 3 – 5 members' family size, and 11% are in more than 5 members' family size. Domicile status of the customers divulges that 42% are in rural and 58% are in urban areas.

6.2 Customer Preference in Erode District:

Friedman chi-square test has been used to assess the customer preference in purchasing gold jewellery in Erode district. In order to check the intensity of customer preference in selecting jewellery, null hypothesis has been framed and it states that the rank of customer preference variables do not differ from the expected value on 5% level of significance. For a constant sample size, more the value of chi-square test, the greater is the difference among each variable rank sum and its expected value. Put together, the chi-square value is 134.436 for these ranking, degrees of freedom are up to the number of variable less than 1, and asymptotic importance is estimated probabilities of achieving factors are not essentially different. Therefore, chi-square result with 15 degrees of freedom is unlikely to have occurred by change, it is evaluated that the 100 respondents do not impacted by all these variables.

Table 2: Descriptive Statistics

Customer Preference	Mean Rank	Mean Score	Std. Deviation	Chi-Square
Artistic design and value	10.68	3.564	1.512	
Personal motive on a design	8.84	2.573	1.387	
Trustworthy of gold	8.41	3.857	1.684	
Quality of work and style	9.26	3.536	1.738	
Price reduction	6.81	3.726	1.713	
Availability of traditional designs	8.13	2.316	1.592	
Low wastage cost charged	7.47	3.726	1.739	134.436
Design availability as per budget	7.46	2.525	1.527	P value
Low making charge	8.48	2.521	1.168	0.00*
Peer group reference	6.36	2.844	1.258	
Originality of gold	7.39	3.231	1.629	
Luxurious look	9.52	2.824	1.527	
Seasonal discounts and offers	7.17	3.693	1.365	
Value for price sacrificed	6.53	3.357	1.484	
Customer value and recognition	8.24	2.526	1.271	

(Source: Primary Data)   * Significant at 1% level

Table 2 reveals that the customer preference in Erode District, the test has been administered and the results are presented accordingly. It could be found that among the various factors, artistic design and value (10.68) is ranked first. It is followed by luxurious look (9.52), quality of work and style (9.36), are ranked as second, and third respectively. Moreover, personal motive on a design (8.84), low making charge (8.48), trustworthy of gold (8.41) are ranked as fourth, fifth, and sixth respectively. Subsequently, customer value and recognition (8.24), availability of traditional designs (8.13), low wastage cost charged (7.47), design availability as per budget (7.46), originality of gold (7.39), seasonal discounts and offers (7.17), price reduction (6.81), value for price sacrificed (6.53), and peer group references (6.48) are ranked. Artistic design, luxurious look, and quality of work are the main reason to bring customer preference. Null hypothesis is accepted and it can be concluded that all customer preference variables do not differ from the expected value on 5% level of significance.

International Journal of Current Research and Modern Education (IJCRME)
Impact Factor: 6.925, ISSN (Online): 2455 - 5428
(www.rdmodernresearch.com) Volume 4, Issue 1, 2019

6.3 Buying Behaviour:

Buying behaviour of customers in gold jewellery purchase is highly associated with their expectation and trustworthy of seller. Buying behaviour shows the intention of customers while making their purchasing decision, it is varied among urban and rural customers in gold jewellery purchase. Therefore, the buying behaviour of customers is examined by classifying them into urban and rural category. The customers are requested to rank their buying behaviour at five point scale that is, highly agree, agree, neither agree or disagree, disagree, and highly disagree with grades of 5, 4, 3, 2, and 1 respectively. The mean scores of the variables are calculated and it has been analyzed by using t-test, which is presented in table-3.

Table 3: Mean Score Analysis

S.No	Variables	Mean Score		t-test
		Urban	Rural	
1	Accuracy in weight measurement	4.225	3.991	2.324
2	Verify seller trustworthy	4.162	3.782	2.356
3	Comparing different brands	4.039	3.964	-2.578
4	Prefer exchange for old jewel	3.853	4.073	2.421
5	Seek certification for quality	3.921	3.761	-2.645
6	Expect negotiation in price	3.775	4.011	-1.277
7	Expect different collections	3.937	3.924	2.885
8	Expect fair pricing on jewels purchased	4.245	4.153	1.438
9	No compromise on quality	3.992	3.724	2.675*
10	Interest on style of designs	4.127	3.973	2.274

Source: Primary Data   * Significant at 1% level

It is evident that in table 3, the buying behaviour among rural and urban customers is not unique and it differed from each other. The main buying behaviour exist among urban customers are hard work for ever, expect fair pricing on jewels purchased, accuracy in weight measurement, verify seller trustworthy, interest on style of designs, and comparing different brands; since their mean scores are 4.245, 4.225, 4.167, 4.127, and 4.035 respectively. Amongst the rural customers, the significant buying behaviour is expect fair pricing on jewels purchased, prefer exchange for old jewel, and expects negotiation in price; since their respective mean scores are 4.153, 4.073 and 4.011 respectively. The buying behaviour of customers exhibits that all the variables are significant at 5% level. It indicates that the customer have equal buying behaviour while buying gold jewels.

6.4 Factors Influencing Customer Satisfaction:

Customer satisfaction is influenced by number of factors concerning jewellery shop, brand, employees, recognition, and value for price paid. It is suggested that the jewellery showroom should modify their sales strategies in order to increase customer satisfaction. The factors influencing customer satisfaction while buying gold jewels has been examined using rotated component matrix, the results are provided in table-4.

Table 4: Rotated Component Matrix

Labels	Variables	Quality	Brand	Employees	Service	Amenities
CS19	Availability of newer designs	.828	.046	.117	.189	.243
CS07	Assurance on quality of jewel	.819	.088	.086	.114	.235
CS20	Pricing method on gold jewel	.789	-.175	.042	.079	.134
CS06	Fixation of wastage cost	.771	.130	.136	.174	.127
CS25	Arrangement of shops and display	.738	.099	.109	.058	.088
CS23	Long lasting life of design	.678	.096	.088	.223	.098
CS08	Promotional activities	.253	.830	.079	.189	.112
CS11	Reliability on gold jewels	.089	.761	.158	.258	-.184
CS22	Price tag display on jewels	.147	.735	.051	.193	.086
CS03	Weight and purity of gold	.246	.671	.043	.074	.293
CS24	Discount on regular or bulk purchase	.174	.643	.152	.043	.188
CS10	Brand pride and luxurious look	.136	.619	-.056	.253	.064
CS21	Exchange opportunities	-.236	.591	.242	.107	-.047
CS16	Brand reputation in the industry	.135	.567	.144	.143	.113
CS01	Flexibility in working hours	.088	.164	.751	-.098	.067
CS09	Recognition for loyal customers	.165	.136	.724	.154	.115
CS18	Customer service quality	.137	.142	.675	.093	.086
CS14	Employee courtesy and behavior	.084	.283	.626	-.021	-.041

CS17	After sale service	.147	.168	.148	.782	.308
CS02	Service accessibility	.225	-.136	.211	.746	.145
CS13	Billing and delivery process	.046	.156	.283	.684	.131
CS12	Payment through cards	.162	.074	.113	.567	.057
CS04	Parking facilities for vehicles	.167	-.097	.053	112	.801
CS05	Lighting facilities in the showroom	.157	-.085	.077	.167	.722
CS15	Packing of jewels	.155	.171	.036	.241	.634
Eigen values		6.469	4.888	2.266	1.779	1.220
% Variance		17.64	12.57	10.83	8.97	6.56
Cumulative % Variance		17.64	30.21	41.04	50.01	56.57
Cronbach's α		0.789	0.776	0.745	0.675	0.642

(Source: Primary Data)

It is clear that in table 4, the extracted factor loadings in the rotated component matrix and significant variables formed under each factor is emphasized in bold. The cut-off rate for factor loadings is fixed as 0.5. The exploratory factor analysis shows that the influence of factors influencing customer satisfaction and which accounts for cumulative variance of 56.57% explained in the data. The Cronbach's alpha values for the factors identified have good reliability values i.e., $\alpha > 0.5$. Afterwards, the factors are identified and named as influence of quality factors, brand factors, employee factors, service factors, and amenities factors provided in the jewel shop. Quality factor is the main factor, which is observed with the explained variance of 17.64%. It is loaded with six factors like availability of newer designs, assurance on quality of jewel, pricing method on gold jewel, fixation of wastage cost, arrangement of shops and display, and long lasting life of design. It makes high level of influence on customer satisfaction. Brand factors have been believed as significant factor with explained variance of 12.57%. It includes promotional activities, reliability on gold jewels, price tag display on jewels, weight and purity of gold, discount on regular or bulk purchase, brand pride and luxurious look, exchange opportunities, and brand reputation in the industry. Employees' factors explain 10.83% of variance in data; it is loaded with four factors like, flexibility in working hours, recognition for loyal customers, customer service quality, and employee courtesy and behaviour. Furthermore, service factors are loaded with after sale service, service accessibility, billing and delivery process, and payment through cards which accounts for 8.97% variance in data. Ultimately, technology factors are loaded with three variables such as, parking facilities for vehicles, lighting facilities in the showroom, and packing of jewels, which together explains 6.56% variance in data. It is proved that these factors have influence on customer satisfaction in gold jewellery purchase in Erode district.

7. Findings and Conclusion:

Gold jewellery market is highly customer oriented, if a seller failed to understand their customer needs, preferences, behaviour and satisfaction, they cannot be successful in the market. Satisfied customer can repeat their purchases and refer others to purchase. Therefore, this study has been paid an attention in various factors influencing customer satisfaction. The socio-economic background shows that 77% are female, 32% are in 36 – 50 years of age, 71% are married, 68% are completed degree/ diploma, 48% are in the monthly income group of Rs.20,000-40,000. Besides, 53% are having experience of more than 10 years in gold purchase, 66% are in 3 – 5 members family size, and 58% are belongs to urban areas. Friedman's test presents that artistic design, luxurious look, and quality of work are the main reason to bring customer preference towards purchase of gold jewellery. The important buying behaviour among urban customers are hard work for ever, expect fair pricing on jewels purchased, accuracy in weight measurement, verify seller trustworthy, interest on style of designs, and comparing different brands. Similarly expect fair pricing on jewels purchased, prefer exchange for old jewel, and expects negotiation in price are important buying behaviour among rural customers, which are statistically significant at 5% level. The exploratory factor analysis concerning factors influencing customer satisfaction explains 56.57% variance in data, with five broad factors such as quality factors, brand factors, employee factors, service factors, and amenities factors. It was concluded that customer preference and buying behaviour provides some sort of experience on gold jewellery buying which have ultimate influence on customer satisfaction.

8. References:

1. Berad, N., Agarwal, M., Vaity, R., Khan, S., Bhujbal, D. & Deshpande, G. (2015). A comparative study on the consumer's preference towards branded jewellery over non branded jewellery in Nasik city. International journal of Applied Services Marketing Perspectives Journals, 4(1), 1419-1426.
2. Ganpathi, R., Manikandan, R. & Priya, M.L. (2010). Customer preferences and satisfaction towards jewellery shops with special reference to Coimbatore city. Summer Internship Society, 2(1), 32-39.
3. Janaki, N. & Manivannan, L. (2016). Consumer preference and satisfaction on jewellery products. International Journal of Management Research, 6(1), 15-22.
4. Jyothi, M. B. & Babu, J. (2014). An empirical study on consumer preference towards branded jewellery in Tirupati. Global Journal for Research Analysis 3(5), 89-96.

5. Kavery, R. & William, J.A. (2015). Consumer perception towards gold jewellery on select retailers in Coimbatore District. International Journal of Research in Business Management, 3(7), 63-74.
6. Raju, K. & Kumar, D. (2013.). A study on consumer preference on branded jewellery in Hyderabad. International Journal of sales & Marketing Management, 2(5), 23-34.
7. Ramachandran, K. & Karthick, K. (2014). A study on the perception of customers towards branded jewellery. Proceeding of Annual Tokyo Business Research Conference, Tokyo, Japan.
8. Rawal, R. K. (2015). A study of consumer buying behaviour for purchasing of diamond jewellery from branded retailers. Tactful Management Research Journal, 2, 99-104.