NOTICE OF PUBLIC VIVA–VOCE EXAMINATION

In accordance with the regulation of the Madurai Kamaraj University, regarding the award of the Degree of Doctor of philosophy (Ph.D) in Commerce, a Public Viva-Voce examination through online video conference mode will be held on Friday, the 16th August 2021.

Venue : PG and Research Department of Commerce
Mannar Thirumalai Naicker College (Autonomous)
Pasumalai, Madurai – 625 004.

Meeting Mode : ZOOM APPLICATION
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Date and Time : 16th August, 2021 10.30 A.M.

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Title of Thesis : “Consumer Behaviour Towards The purchase of Gold Ornaments in Madurai District”

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A copy of the thesis is available for reference in the library of Mannar Thirumalai Naicker College, Madurai Members of the faculty, research scholars and students are welcome to participate in the public viva-voce examination.

Place: Madurai
Date: 30.07.2021

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CONSUMER BEHAVIOUR TOWARDS THE PURCHASE OF GOLD ORNAMENTS IN MADURAI DISTRICT

Synopsis submitted to the Madurai Kamaraj University for the Award of the Degree of
DOCTOR OF PHILOSOPHY IN COMMERCE

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SYNOPSIS

Introduction

In the international arena, gold has been associated with wealth and savings. In India apart from its show of strength as wealth and savings it acts as a hedge against inflation. Further, the possession of gold jewelleries in India forms a part of Indian culture. ‘About 80 per cent of the market share of jewellery is in the form of gold’. From this it is understood that gold ornaments are inseparable from India’s culture and art. No wedding irrespective of caste, greed and religion in India is solemnized without gold. For the past six or seven years the demand for gold in India has been spiraled even though there was a booming price of it. This reflected a buoyant market in gold jewellery in the recent past. Indian jewellery trade is mainly associated with small players, but giant players who are in small numbers cut a major share of jewellery market in India. At this juncture, the researcher has initiated to study the buying behaviour of the consumers towards the purchase of gold ornaments to examine the attitude of the consumers in the study area. The area selected for the study is Madurai district. The topic of the present study is ‘Consumer Behaviour Towards the Purchase of Gold Ornaments in Madurai District’.

Understanding the attitude of the consumer is the foremost and the most important step to plan what to produce, when to produce, where is to distributed by the entrepreneurs. It prompted to study the motivation and process in the purchase
towards the gold ornaments by the consumers. Further, the behavioural attitude of
the consumers and its relationship with various socio economic factors explicitly
give idea to the policy makers concerned to design suitable Gold Control Policy to
regulate the jewellery market in India.

Social interaction namely marriage, birthday, attaining puberty, festivals
and the like in the Indian community is mainly associated with gold. Gold as a
status of power and as an investment, provides prestige as well as financial
security for the holders and solve the emergent and unforeseen strains if any in the
future. Gold being a liquid asset can be transformed into currency units as and
when needed. The CPI of India shows an increasing trend over the years. From this
one can understand the values of money over the years go on decreasing. But by
seeing the trend of gold price over the years one can easily judge that investment
in gold is wiser than in any others. Further, in industrial field also the usage of gold
played a vital role. So the study about gold is a pre requisite nowadays.

Need of the study

Gold is a precious metal that has been valued by people all over the world,
since ancient times and have special interest in gold ornaments either for
possession or prestige or status. Passion for jewellery is legendary. It is reflected in
numerous customary occasions where it is not only considered auspicious but
mandatory to gift ornaments crafted in gold. The same trend is still continued all
over the world. Gold ornaments are inseparable from India’s traditional culture and
art. Irrespective of religion, place of worship, sacred areas and temples gold
ornaments adorned in all the places. There are so many investment channels
available to the people to have a prosperous future. People preferred to have a
considerable investment in gold because of its hedge against inflation. The available investment criterion other than gold is unfavourable option as there is more risk factor involved from time to time. But investment in gold gives a standard assurance in value and also serves the consumers as an ornamental beauty. This resulted in the emergence of gold business in the form of variety of gold ornaments.

People normally prefer to invest in gold even though there are alternative investments available to consumers. Why the consumers prefer to buy gold ornaments will be of more useful information to anybody. Further, it becomes important for the jewellers to know the changing preferences of customers in order to produce the latest designs of gold ornaments that suit the needs of the customer. Consumer behaviour is an eternal one. In line with the tastes and preferences of the consumers only the jewelers designed their jewelleries in order to withstand in their business firmly and strongly. Gold is preferred not in one occasion, but preferred in all occasions throughout the year. Be it a birthday or marriage or age attending or festivals or special occasions the need for gold arises continuously. So, the gold business is everlasting and so the scope for its business increases day by day. So, the present study ‘Consumer Behaviour Towards the Purchase of Gold Ornaments in Madurai District’ focused into analyse the buying behaviour of gold ornaments by the sample consumers in the study area.

**Statement of the Problem**

People all over the world preferred to save in times of plenty and that should be very useful in times of need. Investment in gold is considered an investment forever. It gives a sense of security and a fixed asset but it is a liquid
asset. From time immemorial, there has been a vast scope for gold business. Any investment programme with the features like safety of principal, adequacy, liquidity, collateral value, stability of income, capital growth, concealability and transferability is considered safe and hence gold is always considered as a safe investment. Converting the household savings investment into gold ornaments is the year old and conventional practice followed in India. Gold ornaments are preferred in all occasions irrespective of caste, creed and religion all over the world. India is not exception to it. The behaviour of the customer is the most important factor that decides the purchase of commodity. It is not very easy to measure or estimate or assess the behavioural attitude of the customers. The behaviour of the customers varies from person to person and it is mainly guided by his psychological feelings. From statistical facts, the preferences of the consumers towards the purchase of gold ornaments have been dramatically changed. Indians are the most astute in gold purchase. The demand for gold, particularly in India mainly rested with women; the gradual shift of women in social order has a direct bearing on their household purchases. The women do not hesitate to invest a portion of her family income towards the purchase of gold ornaments as gold is considered a women’s own property and proves to be a friend in distress. People in all walk of like purchase gold ornaments as and when their income surpasses over their expenditure.

As per the Reserve Bank of India Bulletin on the principal commodity wise import list of India, gold is ranked as the fifth largest import item. Various research reports reveal that the price of gold has not in any way affected the demand for gold ornaments and the consumers are mainly quality centric rather than price. The
main focus of the study is to analyse the consumer behaviour towards the gold ornaments, particularly in Madurai District. The behaviour of the consumers towards the purchase of gold ornaments are addressed with when to, where to, how to buy and why people buy and what they buy. Understanding the consumer behaviour is the first and foremost step of the jewellers to assess the market needs of the customers. The researcher finds it worth to study the expectations, motivations and the process involved by the consumers towards the purchase of gold ornaments. Further, an attempt has been made to study the behaviour of the consumers and its relationship with socio economic factors to ascertain the market trend. Identifying the most influential factor that influences the purchase of gold ornaments will also be a part of study. It is helpful to the researcher to suggest suitable Gold Control Policy measures to the authorities concerned and provide some ways to the consumers to have a constant touch with the jewellers to purchase gold ornaments in order to earn a good return in future. At this juncture, the purchase of gold ornaments by the consumers kindle the mind of the researcher to study the behavioural attitude of the consumers towards the purchase of gold ornaments in the study area, namely Madurai District.

**Scope of the Study**

The present study, ‘Consumer Behaviour Towards the Purchase of Gold Ornaments in Madurai District’ highlights and gives an insight into some important factors which greatly influenced the behaviour of the consumers towards the purchase of gold ornaments. The present day problems faced by the consumers are addressed in the present study. The study in its preview will give importance to the socio economic factors like age, occupation, marital status, literacy, level of
income, asset position and the like of the consumers which shaped their behaviour in certain direction. The study has been restricted to the jewellery shops in Madurai District only. There is an ample scope that the budding researcher can probe deep into the behavioural attitude of the consumers who directly purchased gold ornaments from friends and relatives. Online purchase behaviour of the consumer’s towards the purchase of gold ornaments is not included in the present study. Since, online purchase is a new, innovative and trendy today, the behaviour of consumers towards the purchase of gold ornaments through online may be studied in order to give a helping hand to the existing jewellery shop owners to withstand in their business profitably.

**Objectives of the Study**

The following are the specific objectives for the present study.

1. To study about the genesis of gold market in India
2. To analyse the socio – economic characteristics and find out its relationship with the annual expenditure towards the purchase of gold ornaments.
3. To measure the behavioural index of the consumers towards the purchase of gold ornaments on service quality.
4. To identify the factors that influences the demand for gold in India.
5. To offer suitable suggestion to design appropriate gold related legislation to the authorities concerned.

**Hypotheses of the Study**

In order to have a clear research deliverables, the researcher framed the following hypotheses and tested to reach the findings of the study.
There is no relationship between socio economic factors and the annual expenditure towards the purchase of gold ornaments in the study area

Choice of the study area

The researcher being a resident in Madurai purposively selected Madurai District as the study area. Apart from that, the following reasons were also prompted the researcher to select Madurai District as the study area.

1. Madurai district is the leading major district of Tamil Nadu next to Chennai district.
2. The researcher being a resident of Madurai is popular with the geographical locations and its proximity.
3. The researcher can easily move along with the consumers because of their slang and culture matched with the researcher.
4. The jewellery related business have been prominent from the yester year of Pandya dynasty to till date which motivated the researcher to choose Madurai district.

Sample Design

Both primary as well as secondary data were used in the present study. The primary data were collected through a well-designed schedule from consumers as well as jewellery shop owners during the financial year 2016 – 17. The secondary source of data were collected for the period from 2001 – 2017. So the reference period of the survey was from 2001 – 2017.

For the effective analysis of the present study, multi stage random sampling method has been followed. At the initial stage Madurai district has been selected for the reasons already cited. In the second stage all the jewellery shops in Madurai
district were listed out. Jewellery shops in Madurai district were classified into urban and semi urban segments in the third stage. Madurai city jewellery shops only were treated as urban segment and all other jewellery shops outside the Madurai city, having more than 75 outlets were treated as semi urban segment. For the convenience, the researcher has selected. 35 jewellery shops each from urban and semi urban segments totaling 70 in number to have a balanced representation. From each shop five respondents were randomly selected totaling 350 sample consumers and to jewellery shops for the present study.

Collection of Data

The effective sample size or the present study was 350 jewellery shoppers and 70 jewellery shop owners, through which the behaviour of the consumer towards the purchase of gold ornaments in the study area was assessed. The present study is mainly depending on the primary data collected by personal interview method both from consumer respondents and jewellery shop owners. A well drafted questionnaire has been designed to collect necessary information from the sample respondents. Experts in the field were consulted for the preparation of questionnaire. A pilot study has been initiated and for that the schedule has been presented to ten consumer respondents and recorded their views. This pretest facilitated the removal of irrelevant and unwarranted questions from the schedule. After sorting out the irrelevant questions, a well-structured schedule was framed to elicit the required information from the sample respondents which includes 350 consumers and 70 jewellery shop owners in the study area.
Period of the Study

Primary data relating to jewellery shoppers (consumers) and jewellery shop owners were collected during the financial year 2016 – 17. Secondary source of data were collected for the period of fifteen years from 2004 – 2017. So the reference period of the survey was from 2001 – 2017.

Mathematical Tools Used in the Study

The following mathematical and statistical tools have been used to analyse the collected data in the study area.

Descriptive statistics like mean, weighted mean, standard deviation, variance, percentage analysis. Chi-square test, t- test, Garret ranking technique, ANOVA, linear and multiple regression models were used with the help of Statistical Package for Social Sciences (SPSS). Apart from that, appropriate diagrams like bar diagram and pie diagram were also used.

Scheme of the Work

The present study ‘Consumer Buying Behaviour Towards the Purchase of Gold Ornaments in Madurai District’ is structured into the following six chapters.

The First Chapter ‘Introduction and Design of the study’. The content of the chapter are introduction, need of the study, significance, statement of the problem, scope of the study, objectives, hypothesis, sample design, limitation of the study, review of literature and chapter scheme.

The Second Chapter, ‘Profile of the Study Area’ includes profile of the study area, which includes physical futures, land utilization pattern, infra structural facilities and the like available in the study area.
The Third chapter, ‘Socio Economic Profiles and its Relationship with the Level of Expenditure Towards the Purchase of Gold Ornaments by the Sample Consumers’ investigates the various socio economic characteristics and examine its relationship with the annual expenditure level, towards the purchase of gold ornaments by the sample consumers in the study area.

The Fourth chapter, ‘Behavioural Index of Sample Consumers Towards the Purchase of Gold Ornaments’ identifies various dimensions and factors of service quality and measures the behavioural index towards the purchase of gold ornaments by the sample consumers.

The Fifth chapter, ‘Determinants and Extrapolation of the Demand for Gold in India’ estimates the marginal behaviour of each variable under consideration of the present study.

The Sixth chapter, ‘Summary of Findings, Suggestions and Conclusion’ highlights the major findings of the study along with appropriate suggestions and conclusions based on the results of the present study. Further, the researcher suggests suitable measures to design appropriate legislation to the concerned authorities to give a helping hand to improve the gems and jewellery industries for the prosperity of the nation.