



A Study on the Impact of Advertisement and Sales Promotion on the Buying Behaviour of Gold Jewellery Consumers' of Trivandrum District

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Abstract

Gold is widely distributed throughout the world, normally in very low concentration and generally in native form as metal. Today, gold emerged as an important mean for investments also. India is one of the largest consumers of gold, where a major portion of it is used for jewellery together with investment. India's diversified customs and rituals have helped to the high demand for gold. Gold continues to be the most traded commodity in the Southern Indian State of Kerala. The word recession has got nothing to do with it. Trivandrum, for instance, conventional jewellery with a contemporary twist reigns supreme. Most of the jewellery shops in Trivandrum are promoting their business using various promotional activities such as advertisements, sales promotion, salesmanship and public relation. The present study is an attempt to know the influence of advertisements and sales promotion activities on the buying behaviour of gold jewellery consumers'.

Keywords: buying behavior, gold jewellery, consumers'

Introduction

Gold is precious metal, which is also classed as a commodity and a monetary asset. It has acted as a multifaceted metal down through the centuries, possessing similar characteristics to money in that they act as a store of wealth, medium of exchange and a unit of value. Since prehistoric times, gold has been accepted as a universal means of exchange because of its indestructibility, beauty and rarity compared to other more common metals. Even after the Second World War gold did not lose its importance.

Demand for gold arises from consumers in the form of jewellery, dental fittings, and other uses; from industry as one of the most ductile metals

and as an excellent conductor of heat and electricity; and from central banks, investors, and speculators as a store of value and as an investment. Every year at least 85% of the gold produced is made into jewellery. Today; our most used encounter with gold is through our purchase and use of gold jewellery. Gold jewellery remains very popular among all age groups. Jewellery since time immemorial has remained exotic, unequalled and invaluable articles of personal glory.

Jewellery industry occupies an important position in the Indian economy and Indians see gold as a precious commodity. Even in religious texts of Hindus, gold finds a mention as a commodity of immense values. Like in



other countries, in India gold is demanded for three uses, namely jewellery, retail investment and industrial use. The primary driver of gold demand is demand for gold jewellery. Gold traditionally has demanded for making gold ornaments. The sale during the 'Diwali' festival and marriage season is high. Most of the sales are bunched during this time as Diwali coincides with harvesting and sale of crops. Gifting of gold ornaments to the bride is an age-old practice in India.

Gold ornaments are also worn by Indian men as bracelets, rings, and metal chains. Another reason for the significance of gold is the case it offers in hoarding unaccounted wealth. Gold has traditionally been valued in India as a savings-and-investment vehicle and even today, continues to be the second most popular instruments after bank deposits. However, as the Indian consumers became more aware and quality conscious the Indian jewellery market witnessed a shift in consumer perceptions of jewellery. Other than politics what hits headlines in Kerala is nothing but gold and its price trends. According to some reports, God's own country can boast of the largest number of jewellery showrooms in the world.

Significance of the study

Gold has remained a powerful means of family economic security and often a prudent investment medium. Jewellery is used as an adornment accessory and as an occasion based gift item in most developed markets, while developing countries view jewellery particularly gold jewellery as a dependable investment. While women are more frequent to the jewellery showrooms, men are still the effective buying decision makers in majority of the

cases. They largely buy smaller value items, such as rings, chains, tie pins, frequently as gifts.

The rise in the gold price over the past three years has added to gold's desirability, but has also provided a stronger justification for the consumers to buy gold jewellery. Consumers are still considering gold and jewellery as a safe mode of investment. Many factors may be influencing them to invest in gold jewellery. Advertisement sales promotion and so on plays a significant role in attracting more investment on gold jewellery. Realizing this fact now Kerala government is promoting gold jewellery business by arranging Grand Kerala Shopping Festival every year in the month of December. In this context a study on the promotional activities and its influence on consumers and their buying behaviour will provide a wealth of knowledge and insight to those who have plan to develop a market platform in this field. The present study can be regarded as relevant in this context.

Scope of the study

The study is focused on the effectiveness of promotional activities of the various jewellery shops in Trivandrum district in Kerala. Various promotional activities of jewellery shops, its impact on consumers' decision, their satisfaction level and buying behaviour form part of the present study. Gold jewellery consumers of various jewellery shops of Trivandrum district in Kerala constitute the study area.

Statement of the Problem

Gold, the yellow metal continues to be a wonderful metal for people everywhere. It is a symbol of perfection, immortality and prosperity. India continues to be the largest consumer in



the world and Kerala continues to be a major hub of gold for many years in South India. The present study is based on the problems, which are encountered by the jewellery business as listed below.

The success of any retail business depends upon growth and this growth can be achieved only by acquiring new customers. In the current scenario customer acquisition can happen by investment in brand building. Brand building requires huge funds for advertising, sales promotion and the like. Majority of the jewellery shop owners spend a good sum on the various promotional activities. The present study is an attempt to analyse whether these promotional measures have any significant impact on the jewellery consumers. Jewellery owners are competing each other by coming up with attractive offers and packages and also with colorful and informative advertisements on various media. All these efforts will become worthy only when their market share enhance in the gold market. So effectiveness of promotional activities on the consumers and their buying behaviour forms part of the present study.

Review of Literature

A detailed review of research projects, and research articles were undertaken as a part of the study. This helps in familiarizing with earlier works conducted in this area and the focus of each. Articles presented in various research journals, newspapers and internet were reviewed. It is hoped that the reviews will be helpful to the researcher to identify the gaps in the work already done and also to determine the method that should be adopted for the present study.

Objectives of the Study

The present study is framed to analyze the brand promotion of jewellery business in Kerala. As such, the following specific objectives have been set for the study.

- 1.To assess the opinion of customers' on the promotional measures pertaining to gold jewellery shops in Trivandrum district.
- 2.To study the purchasing behavior of customers' of various gold jewellery shops in Trivandrum district.
- 3.To study the satisfaction level of customers on the promotional measures of gold jewelry shops

Methodology of the Study

The present study is based on both primary and secondary data. Since the total number of gold jewellery consumers in Trivandrum district is extremely large, a sample of Four Hundred and Fifty respondents are selected randomly using Judgement Sampling Method so as to ensure a large sample for the conduct of the study. Customers of various Jewellery shops like Joy Alukkas, Bhima, Josco, Malabar gold, Kalyan Jewellery and Chemmannur Jewellery shops has been selected and studied in detail.

Method of Analysis

Suitable mathematical and statistical tools like percentage analysis, weighted ranking method, Likert's scale and ANOVA has been used for analyzing the collected data.

Findings and suggestions

Majority of the respondents (50 per cent) in the sample consist of the people of age



group in between 21-40 and hence their views are important.

Most of the respondents (27 per cent) are Graduates and hence their views are important for the purpose of analysis.

Most of the respondents (41 per cent) belong to high income group (HIG).

Majority of the respondents (82 per cent) in the sample are dominated by females.

Most of the respondents (33 per cent) are House wives.

According to majority of the respondents (51 per cent) advertisement is the source of awareness for all the brands and is highest for Bhima followed by Malabar Gold and Josco. The other sources of awareness are friends and relatives, Sales Rep and others.

According to majority of the respondents TV ad is the advertisement medium through which the consumers are aware of jewellery brands and among the brands the highest awareness of TV medium is for Bhima brand followed by Josco, Malabar Gold, and Joy Alukkas.

The analysis showed that for all the promotional measures such as advertisement, sales promotion and other factors there is maximum influence on decision making process and the highest for advertisement followed by sales promotion and other factors.

The analysis showed that among all the modes of advertisement TV ad is having the maximum influence followed by Newspaper, Radio, Internet, and Road shows

The analysis showed that among the modes of sales promotional measures all the factors have maximum influence and the influence is highest for price discount

followed by free gifts, coupons, contest& slogans and exchange offers.

Majority of the respondents (60 per cent) are partly satisfied with sales promotion methods adopted by the gold jewellery business

Null Hypothesis: The respondents' level of satisfaction remains the same for different sales promotional methods. ANNOVA table test was used to find the relationship between the level of satisfaction of respondents and the sales promotional methods adopted by in the gold jewellery. The null hypothesis is rejected. Hence the level of satisfaction of the respondents changes with various sales promotional methods adopted by the gold Jewellery

According to majority of the respondents Celebrity endorsed advertisement ushers the promotion of gold jewellery business.

Suggestions

Enhance Consumer Service

The Jewellery retailers have to concentrate on retaining the consumers through improved consumer service. The survey results indicate that the customers are only partly happy with the existing quality of consumer service. So that retailer who is able to provide the best consumer service will be able to stay in business comfortably.

Consumer Awareness

The results of the study show that the consumer awareness of new designs and patterns of the Jewellery retailers need to be improved. For improving consumer awareness of new designs and patterns the retailer has to increase the advertisement in local newspapers highlighting the arrivals new of designs and patterns. This will help to



increase consumer awareness of new designs and patterns of the Jewellery retailers.

Create Brand Image

In the competitive environment apart from initiating many measures to gain and retain consumer loyalty necessary steps have also to be taken by the Jewellery retailers in building its brand image. Developing and nurturing a jewellery brand is more difficult than other product brands and in promoting and positioning the product. Brand image once created last long and creates better image among the consumers. This will help the consumer in building loyalty with the retailer and in making repeat purchases. Once a product builds up a good brand image, it is difficult to erase it from the public memory particularly when mascots get well positioned in their minds. Only good brands that have all the aspects of marketing mix get proper recognition. Thus the retailers have to continuously embark on brand building activities. This will help to increase consumer base and more sales.

Promotion Strategies

The existing promotion strategy of the Jewellery retailer has to be restructured keeping in view with the changing socio-economic environment. The strategies must be such that it helps to influence the potential buyers. Here the promotional strategies should consist of suitable advertisements in local newspapers especially in local and regional languages; advertisements in electronic media, publicity measures in association with various public programmes, organising and hosting social programmes, seminars, meetings etc through which the marketers can communicate effectively to the consumers

about their products and this also helps to create better brand image of the Jewellery retailer.

The study shows that the advertisement in electronic media is the most suited advertisement medium for Jewellery business. It helps in new product launching, presenting new fashions & designs and in brand building exercise. Analysis of the past data of Ads shows that TV Ads are more sensitive to the consumers. TV Ads in regional languages will also benefit the consumers of rural and village areas. Further this helps to create more sales from smaller towns and villages.

The jewellery marketers should also focus on advertisements on mobile internet, internet based marketing. This will help in bringing wider audience coverage into the net. This will help to target potential consumers or in connecting people from rural areas also who are using more internet now a days.

Social media can also leveraged by the Jewellery marketers which in turn help to share consumer insights, response through surveys, consumer behaviour decisions and in building relationship with consumers. This will help to retain the existing consumers and to add new consumers.

Marketing Information System

The incoming multi-faceted changes in the socio-economic environment have raised the significance of information-based decisions. To be more specific for making marketing decisions, the Marketing Information System (MIS) plays an important role. Like other services, the management of information also influences the jewellery business. The Marketing Manager should shoulder the responsibility of making available to



the organisation an effective MIS to bring creativity in total marketing. For this, the marketing department should gather all marketing related information from the market, competitors and from the consumers including the consumer behaviour trends. This will help to draw MIS programme suitable to growing and changing requirements of the Jewellery business.

Long-Term Relationship (Customer Relationship Management - CRM)

After providing sale of Jewellery products, the retailer should keep in constant touch with the consumers to ensure whether they are satisfied and what else need to be done. The database available with the retailer should be leveraged to maintain good relationship with consumers. There should be speed in gathering information, identifying potential consumers, catering their needs, speed in decisions and speed in providing quick services. Thus the Jewellery retailer's marketing and sales personnel should work to build synergy from CRM strategy.

Build Trust among the Consumers

Building trust among the consumers is one of the unique strategies that are followed by all the marketers. This is also found to be true for Jewellery business and building this is a great challenge among the Jewellery retailers. More trust among the consumers brings in more consumers leading to more sales and profit. Therefore it is suggested that all activities of the retailer should focus in creating trust among the consumers.

Identify high end Consumers

Various studies show that higher end consumers are butterfly consumers who shift the brand from one to another and

from one store to another store. These buyers are heavy buyers and they seldom want to surge into a particular brand. It is very tough to find, hold and harvest them. The jewellery retailers marketing team should be able to identify such high end consumers by using data available from marriage bureaus, marriage halls booking data which are done well in advance.

Exhibit more designs trends/ fashions of Jewellery

Seek the help of jewellery designers for designing latest jewellery fashion trends among the younger generations especially ladies. Further these can be contemporary designs, terracotta designs, cocktail designs, antique designs, ethnic designs etc. This helps the consumers to choose their favourite designs suiting their taste, fashion trend based on their timeless style statements. These fashion strategies will help to retain the consumers and to attract more consumers to the jewellery outlet.

Launch Online Portal to sell Jewellery

Online business model should be designed by the Jewellery retailer to offer easy access and convenience, hassle free, high discount, free shipment and multiple payment option including cash on delivery. This will help to improve the Jewellery business to a great extent because these days more people depend on online shopping as it is very convenient for many. Exclusive and latest designs and fashions which can be used for daily wear should be show cased in the online portal with its price tag and unique item code.

Conclusion

The analysis and strategies presented are based on the study of consumer survey



conducted among some of the major Jewelleries in Kerala. The study presents an overall picture about the influence of advertisements and sales promotion on the buying behaviour of the consumers of gold in Trivandrum. By conducting this study, what the researcher could infer is that all promotional measures such as advertisement and sales promotion influence the buying behaviour of the consumers and the highest for advertisement followed by sales promotion and other factors and among all the modes of advertisement TV ad is having the maximum influence followed by Newspaper, Radio, Internet, and Road shows. Among the modes of sales promotional measures all the factors have maximum influence and the influence is highest for price discount followed by free gifts, coupons, contest & slogans and exchange offers. Based on the study, the researcher had put forward certain suggestions/ recommendations.

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