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Research Article

A Study on Factors Influencing Consumers' Buying Behaviour: Gold

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Abstract

Gold has traditionally held a significant position in the Indian economy and society, serving not only as jewellery but also as a valuable form of savings and investment. The purchase and ownership of gold jewellery are influenced by cultural traditions, social status, financial security, and investment considerations. India is one of the world's major markets for gold jewellery, and the growing demand for gold has increased the importance of understanding consumer and jeweller buying behaviour. Against this background, the present study examines the buying behaviour of jewellers in New Delhi, with particular emphasis on the role of gold jewellery as an investment and savings instrument. The study adopts a systematic approach to examine the factors influencing the purchase of gold jewellery and the investment preferences of jewellers in New Delhi. Primary data were collected from jewellers through a structured questionnaire, while relevant secondary information was obtained from existing literature and other published sources. The collected data were analysed to identify patterns in purchasing behaviour and to understand the extent to which gold jewellery is purchased for investment purposes. The findings indicate that gold jewellery continues to be an important investment avenue among jewellers in New Delhi. A considerable proportion of respondents reported purchasing gold jewellery as an investment, demonstrating that gold serves purposes beyond personal adornment. The study concludes that gold remains an important savings and investment vehicle in India, supported by its cultural significance, perceived value, and long-term financial appeal. Understanding these purchasing patterns can help jewellery businesses, policymakers, and other stakeholders better respond to changing preferences in the Indian gold market.India's gold market is mostly used for the purchase and sale of tangible gold as well as gold jewellery. In India, gold has a variety of uses, and wearing it has a number of consequences. It shows standard of living. India is thought to have the world's quickest rate of growth in gold jewellery. After deposits and mutual funds, it is the second most popular investment choice in India and is recognized as a savings and investment vehicle. Therefore, the buying behaviour of jewellers in the city of New Delhi is the focus of this study. According to the study's findings, many have bought gold jewellery as an investment.

Keywords

Gold Jewellery, Customer Buying Behaviour, Gold market, Investment Preferences

1. Introduction

India's gold market is mostly used for the purchase and sale of tangible gold as well as gold jewellery [1, 12, 13]. In India, gold has a variety of uses, and wearing it has a number of consequences. It shows standard of living. India is thought to have

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the world's quickest rate of growth in gold jewellery. After deposits and mutual funds, it is the second most popular investment choice in India and is recognized as a savings and investment vehicle [2, 10, 11]. Compared to other nations, India consumes a lot more of it. The past several years has seen a significant shift in consumer purchasing behaviour, which is impacted by friends, family, peer groups, and society at large. Indian customers are become increasingly knowledgeable of and concerned about quality. It is highly challenging to deduce what is happening through the minds of consumers, making it difficult to understand them [3, 7, 15]. Therefore, this study examines the purchasing habits of jewellers in the city of New Delhi.

2. Objectives of the Study

(1) To learn how customers behave while buying gold jewellery.

(2) To evaluate the connection between consumer behaviour and demographic variables

3. Results and Interpretations

3.1. Demographic Profile of Consumers

The demographic profile of gold jewellery consumers has been presented in the following table.

Table 1. *Demographic Profile of Gold Jewellery Consumers.*

Factors	Category	No. of Consumers	%
Gender	Male	81	20
	Female	299	78
Age (in years)	< 25	46	11.4
	26–35	76	19
	36–45	159	39.8
	46–55	100	25
	> 55	19	4.8
Marital Status	Married	347	87
	Unmarried	53	13
Educational Qualification	No formal education	20	5
	School Level	159	39.8
	College Level	126	31.4
	Professional	95	23.8
Occupational Status	Students	26	6.5
	Professional	60	15
	Salaried	109	27.2
	Business	67	16.8
	Unemployed	138	34.5
Annual Family Income (INR)	Less than 250,000	171	42.8
	250,001–500,000	129	32.2
	500,001–750,000	59	14.8
	750,001 and above	41	10.2
Monthly Savings (INR)	Less than 5,000	232	58
	5,001–10,000	106	26.5
	Above 10,000	62	15.5
Total		400	100

The basic information of the 380 customers who have bought gold jewellery is shown in the above table. Approximately 79.8% of respondents are female, 39.8% are between the ages of 36 and 45, 86.8% are married, 39.8% have completed education, and 34.5% are jobless. 42.8% of customers save less than Rs. 5,000 per month and make less than Rs. 2,50,000 per year.

3.2. Factors Influencing to Purchase Gold Jewellery

The following table shows that, majority of the consumer's purchase gold jewellery for the purpose of investment and necessity. It is the main factor influencing them to purchase gold jewellery.

Table 2. *Factors Influencing Consumers' Purchase of Gold Jewellery*

Factors	Category	No. of Consumers	Percent (%)
Purpose	Investment	318	79.5
	Fashion	82	20.5
	Gift	30	7.5
Influencing Factors	Disposable income	57	14.6
	Easy finance	86	22.1
	Past experience	18	4.6
	Necessity	141	36.2
	Comfort wearing	72	18.5
	Social status	57	14.6
	Customized jewellery	14	3.6
	Whenever gold price falls	108	27.7

3.3. Demographic Factors and Frequency of Jewellery Purchase

The chi square test is used to determine if the frequency of jewellery purchases and demographic characteristics are significantly correlated.

Table 3. *Association Between Frequency of Gold Jewellery Purchase and Demographic Factors.*

Demographic Factor	Category	Group 1 No.	Group 1 %	Group 2 No.	Group 2 %	Group 3 No.	Group 3 %	Group 4 No.	Group 4 %	χ^2 Value	Critical Value	Result
Gender	Male	14	17.3	15	18.5	25	30.9	27	33.3	7.815	3.484	Not Significant
	Female	67	21	44	13.8	123	38.6	85	26.6			
Age (in years)	Less than 25	5	10.9	7	15.2	23	50	11	23.9	21.026	17.381	Not Significant
	26–35	19	25	10	13.2	33	43.4	14	18.4			
	36–45	27	17	24	15.1	57	35.8	51	32.1			
	46–55	23	23	14	14	32	32	31	31			
	Above 55	7	36.8	4	21	3	5.8	5	26.3			

Demographic Factor	Category	Group 1 No.	Group 1 %	Group 2 No.	Group 2 %	Group 3 No.	Group 3 %	Group 4 No.	Group 4 %	χ^2 Value	Critical Value	Result
Marital Status	Married	75	21.6	51	14.7	123	35.4	98	28.2	7.815	4.173	Not Significant
	Unmarried	6	11.3	8	15.1	25	47.2	14	26.4			
Educational Qualification	No formal education	4	20	1	5	8	40	7	35	16.919	11.527	Not Significant
	School Level	28	17.6	31	19.5	55	34.6	45	28.3			
	College Level	23	18.3	17	13.5	46	36.5	40	31.7			
	Professional	26	27.4	10	10.5	39	41.1	20	21.1			
Occupational Status	Students	3	11.5	5	19.2	6	23.1	12	46.2	26.217	30.88	Significant at 5%
	Professional	9	15	7	11.7	24	40	20	33.3			
	Salaried	36	33	13	11.9	33	30.3	27	24.8			
	Business	17	25.4	13	19.4	20	29.9	17	25.4			
	Unemployed	16	11.6	21	15.2	65	47.1	36	26.1			
Annual Family Income (INR)	Less than 250,000	23	13.5	31	18.1	55	32.2	62	36.3	21.666	27.64	Significant at 5%
	250,001–500,000	30	23.3	16	12.4	50	38.8	33	25.6			
	500,001–750,000	12	20.3	8	13.6	30	50.8	9	15.3			
	750,001 and above	16	39	4	9.8	13	31.7	8	19.5			
Monthly Savings (INR)	Less than 5,000	42	18.1	33	14.2	78	33.6	79	34.1	12.592	15.328	Significant at 1%
	5,001–10,000	20	18.9	18	17	49	46.2	19	17.9			
	Above 10,000	19	30.6	8	12.9	21	33.9	14	22.6			

H01: The frequency of purchasing gold jewellery and demographic factors do not significantly correlate.

H02: The frequency of purchasing gold jewellery and demographic factors significantly correlate.

The chi square test shows that the frequency of jewellery purchases is significantly correlated with occupational position, monthly income, and monthly savings, but not with gender, age, marital status, or educational attainment.

3.4. Purchase Behaviour of the Consumers

Customers have been asked to score how much they agree with the comments about buying jewellery. The purchasing habits of the customers are reflected in these remarks. Customers were asked to use a five-point Likert scale, ranging from Strongly Agree to Strongly Disagree, to indicate their opinions. For each statement, scores ranged from Strongly Agree (5), Agree (4), etc. to Strongly Disagree (1). According to these ratings, the degree of agreement increases with the rating. The following table shows the mean ratings for each item.

***Table 4**. Consumers' Purchase Behaviour Towards Gold Jewellery.*

Statements	N	Minimum	Maximum	Mean	S.D.
I buy jewellery even when there is a hike in price.	380	1	5	3.055	1.2291
I prefer to buy jewellery because it is easy to sell in case of an emergency.	380	1	5	3.835	0.9618
I always love to go shopping for jewellery.	380	1	5	3.58	1.0277
I am passionate about having jewellery.	380	1	5	3.5325	1.0328
I prefer to choose only what I like when buying jewellery.	380	1	5	3.575	1.1347
I understand that a good price means good quality.	380	1	5	2.9175	1.1955
I always purchase what others suggest.	380	1	5	2.64	1.2667
I suggest to my friends that they should also buy gold jewellery.	380	1	5	3.5175	1.0404
I can convey my personality through jewellery.	380	1	5	3.4775	1.011
When free gifts are provided, I would rather buy jewellery.	380	1	5	3.12	1.1017
I do not buy jewellery because of promotional deals.	380	1	5	3.37	1.0516
I purchase jewellery only during festive seasons or special sales.	380	1	5	3.2175	1.0758
For me, the store's location is more significant than its merchandise.	380	1	5	3.11	1.1516
I do not mind travelling to a store that is distant from my house.	380	1	5	3.415	1.1318
I always like to buy jewellery from stores with lots of space.	380	1	5	3.335	1.1296
When I go jewellery shopping, I normally compare prices a lot.	380	1	5	3.555	0.9997
I prefer taking chances when purchasing jewellery from new stores.	380	1	5	3.595	1.0386
I will always purchase only from a certain store.	380	1	5	2.9525	1.1974
Product displays in stores entice me to purchase jewellery.	380	1	5	3.1725	1.2068
I am inspired to visit the showroom by its marketing.	380	1	5	3.305	1.0582
The showroom advertisement provides complete details about the jewellery.	380	1	5	3.3525	1.0845
I purchase jewellery because of the celebrity featured in the advertisement.	380	1	5	2.995	1.2881

Note: N = Number of respondents; S.D. = Standard Deviation. The wording has been lightly corrected for grammar and consistency while retaining the original meaning and statistical values.

According to the above table, customers buy jewellery because it is simple to sell in an emergency (highest mean rating of 3.835), followed by their inclination to buy from a certain store. Customers' perception that high price equates to great quality has the lowest mean rating. Therefore, it can be assumed that the majority of customers buy gold jewellery because it will be useful in an emergency.

3.5. Suggestions

1) Retailers should concentrate on providing a large selection of traditional styles that appeal to customers' cultural and familial values [4]. Marketing strategies that emphasize the history and importance of these designs might draw clients looking to preserve traditions.
2) Create marketing plans that target various socioeconomic groups. Stress the exclusivity, richness, and prestige of gold jewellery for wealthy clients. Pay attention to the items' affordability and investment worth for middle-class customers [5].
3) Because festivals and cultural events have an impact on consumer behaviour, merchants could schedule special collections and seasonal promotions around these events.

4) Invest in training staff to provide outstanding customer service, since this might have a significant impact on customer satisfaction and loyalty.
5) While classic patterns are still in demand, having a range of contemporary and modern patterns will assist you to attract younger clients who may opt for recent trends. Achieving the right balance of heritage and modernity can satisfy a diverse consumer.

4. Conclusion

Gold has always been at a premium in India over other precious metals. It is an important part of our culture and also our system of religion [6, 8, 14]. Because it is women who wear it and enjoy it. The survey says most shoppers of jewellery are women. For them, gold jewellery is considered not only as an investment but also useful in an emergency. Cultural traditions and financial security are the two major factors that influence the decision of consumers to buy gold jewellery. Customers view gold buying as a physical possession and as an emotional and ritualistic experience [7, 9]. Collections of brands and modern, lightweight designs are becoming more popular.

Abbreviations

N	Number of Respondents
INR	Indian Rupee
SD	Standard Deviation

Conflicts of Interest

The authors declare no conflicts of interest.

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