

A Study on the Purchase Behaviour of Indian Women When Buying Diamond Jewellery from Different Retail Formats

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Abstract: - *The purpose of the study is to be able to realise the marketing implications of selling diamond jewellery to different women's age groups through organised retail formats.*

The design/ methodology: A descriptive research design has been followed. A survey of different age groups of women was conducted with the help of a structured questionnaire. Personal interviews were also conducted with some of the respondents.

Key findings: Some of the key findings were that Indian women buy precious jewellery like diamond jewellery for special occasions and to have a strong attributes in maintaining social status during social function and gathering and they always buy from trusted branded outlets. Other Attributes are like store service for branded jewellers seem to be far superior to the traditional outlets and quality satisfaction is very high with branded jewellers. Working women are greater purchasers of diamond jewellery and indulge more in impulse purchase.

Implications & limitations of the research: Further research needs to be conducted to find out why the traditional stores are not scoring over the branded jewellery stores in spite of the consumers believing that the family retail stores are selling high quantity in Gold Jewellery to Indian women.

Key Words: Diamond jewellery, Indian women

I. INTRODUCTION

The history of jewellery has closely paralleled the history of mankind. Used as amulets to protect against harm and worn for ceremonial occasions, jewels also signalled wealth, power and position. Jewellery styles changed from the early middle Ages and Gothic period through the Renaissance to the twenty-first century. A recently-found 100,000-year-old bead garland made from *Nassarius* shells are thought to be the oldest known jewellery.

Diamonds as a category are a powerful product with all the emotional values inherent in the best luxury brands. Diamonds were arguably one of the world's first luxury products, and certainly today are one of the largest – a true mass-market luxury. To put this into perspective, in 2005 consumers around the world bought 89 million pieces of diamond jewellery, making diamonds a \$68 billion industry. Indeed 10 million people around the world owe their livelihood to diamonds.

While the US remains the world's major diamond consumer, the developing countries of both India and China have emerged in the last decade with strong marketing programmes in markets worth over a billion dollars each in retail sales. The diamond's appeal is broad and deep. The challenge: to anticipate change. In today's increasingly competitive environment, the challenge for you, as diamond jewellery retailers is not only to keep pace with a fast changing market place, but also to be able to anticipate future changes in both retailing and your customers' lifestyles that will impact upon your business, your diamond sales and your profits for years to come.

The way people shop and think about shopping is changing. For example flagship stores, out of town shopping malls, factory outlets, TV shopping channels, on-line shopping, lifestyle changes; people travelling widely and seeing more, the allure of luxury brands and other trends are altering buying behaviour. As quality and choice increase so does the need to attract consumers with exciting information and powerful advertising. In fact, never before has the consumer been so well informed. Marketing is crucial to the success of every business. Without a successful marketing programme your company is trading at a distinct disadvantage. It is vital that you plan for the future. You cannot use strategies of the past and hope to stay ahead, gone are the days when the consumer had little choice and nowhere else to shop.

Women's roles and influence in purchase of Diamond Jewelleries

Study on women and their roles in the diamond-buying process have categorized women into one of four 'types'. Each type of woman, with her distinctive profile, exerts a different influence on the diamond purchase.

'Classic Recipients' are women with the highest household incomes. They are most influenced by cultural norms and traditional values. These women are passive in influencing the diamond purchase, waiting instead for their partners to surprise them.

'Asserters' are women who actively influence their husbands, directing the diamond jewellery purchase as much as necessary. The research shows that there is a range of influence styles among Asserters, from those who simply 'hint' about their preference to those who buy diamonds for themselves and then go home and show their partners 'what you just bought for me'

'Fashion-focused' women will buy their own diamonds, seeing them as accessories that are versatile, beautiful, wearable and desirable. These autonomous diamond jewellery purchasers enjoy owning and wearing diamonds as a statement of their personal style and fashion sense.

'Romantics' are young single women or diamond women who are waiting for a diamond gift and believe a diamond should always be given by a man.

The research demonstrates that there is a wide range of influence exerted by women in the diamond purchase process, from passive to highly active. The desire for diamonds is very high among all categories of women.

One conclusion is clear: women are often the initiators of the purchase.

Why women think about and want diamonds:

Women desire diamonds for a number of reasons:

1. As a symbol of love:

Women want diamonds because they make them feel cherished. A diamond is a symbol of love, and what is most important is the way the diamond makes her feel. Women believe that receiving a diamond sends a very clear message about the specialness of their relationship.

2. For the joy of wearing and as a way of expressing themselves: Women want diamonds because of their natural beauty, and the piece's design and style. Women love to look at diamonds, compare theirs with others and watch fashion trends for the latest styles. A diamond in a classic setting is always in style, goes with everything and makes a statement that is elegant and timeless.

3. Celebration:

Women want diamonds to celebrate occasions. The occasion provides the 'excuse' to actually purchase the diamond that they desire. Research shows that women begin thinking about a diamond long before the occasion, and often 'hint' about their desires and preferences as the occasion nears. Women's self-purchase: Women buy a lot of luxuries for themselves – cars, stereos, designer clothes or shoes and fabulous leather handbags. These items can cost thousands of pounds. Yet none is potentially as long lasting, as elegant or as wearable as a diamond. So why don't women buy diamonds for themselves?

Women in the 21st century have more options than ever before. As jewellery professionals, we have an opportunity to maximise our sales by understanding what motivates women to buy diamond jewellery for themselves. A diamond can be the ultimate gift of love, but it is also the ultimate fashion and status accessory. In the past, women waited for men to give them the ultimate gift. Women don't have to wait anymore – they have a number of reasons for wanting a diamond and now, as with other luxury goods, they have the ability to buy for themselves. Your role is therefore to understand who these women are, why they buy for themselves and ensure you have the products and messages that will appeal to them.

Nothing can make a magic moment more memorable than a diamond. If your clients are celebrating a special moment in their lives, diamonds serve as a permanent reminder that the wearer is loved and cherished. Diamonds can be the perfect gift for a wide range of significant moments in the lives of couples, families and individuals.

In the life of a couple:

- Wedding anniversary
- Other ‘anniversaries’
- Celebration of a promotion
- Birth of a child or first grandchild
- Last child leaves the house
- Just because

In the life of an individual:

- Graduation

- Promotion
- Significant birthday
- Special achievement

In the life of a family:

- From the children on a special day
- A family heirloom
- Family milestone moments

2. Objectives

The primary objective was to find out what factors are considered by women in their purchase of jewellery, and the extraneous variables that affect purchase of Diamond jewellery. The other objectives include:

1. To know when and where consumers prefer to purchase Diamond ornaments
2. To determine the importance of some given attributes in the purchase of jewellery when buying from different retail formats
3. To understand whether they purchase from nationally branded retail outlets or any other means like online or unorganized retailer.
4. To suggest some measures that would help the Jewelleries retailer to serve consumers in a better manner

II. LIMITATIONS OF THE STUDY

The study is confined to residents of the metro cities in India and therefore would not reflect the country as a whole.

III. LITERATURE REVIEW

Not much study has been done in India relating to the buying behaviour of jewellery among women. Infact we were unable to find any published paper about the same. Some work on the importance of product attributes of jewellery was done by Peter and Olson. They found that “Decisions about product characteristics or attribute are important elements of marketing strategy since by changing the attributes marketers can make their products more attractive to consumers” (Peter and Olson, 1996; Stephen and Simonson 1997). In this context marketers are often interested in identifying the product attributes that are considered as most important by consumers during their evaluation and purchase of products. By doing so they can identify various target audiences with different attribute importance structures (Chao, 1989). They can then position their brands on the basis of attributes that are relevant, meaningful and valuable to each of the target audiences.

Product attributes are also a starting point for ‘means – chain’ (Gutman, 1982). The notion of means end attribute suggests that consumers see most product attributes as a means to some end , that end could be a consequences and/or a more abstract value (Claeys and Swinnen, 1995; Gutman, 1982; Peter and Olson,1996). Consumer researchers have long been interested in exploring the evaluative criteria or product attributes against which each choice alternative is evaluated by the consumer (Bettman, 1970; Fishbein,1963; Fishbein and Ajzen,1975; Rosenberg,1950). The evaluative criteria can include objective attributes such as price, brand name, country of origin or subjective attributes such as quality, comfort and design (Grapentine, 1995; Myers and Shocker,1981). In particular, previous research suggests that brand name is a significant product attribute in product evaluations as consumers are more likely to be familiar with the name than with all other product attributes(Bettman and Park,1980; Dodds et.al.1991; Peterson and Jolibert, 1976).

Previous research also suggests that place of origin is an important product attribute during product evaluation (Ahmed and d’Astous, 1996; Bilkey and Nes, 1982; Johansson et.al. 1985; Ulgado and Lee, 1993).

Although the significance of brand name and place of origin has been widely tested across several product categories it has very rarely been tested against jewellery – precious and/or cosmetic. For the purpose of this study precious jewellery has been defined as jewellery made of precious metals such as gold, silver and platinum with or without gemstones. According to Mintel (1999) branding in the precious jewellery market

largely exists in the mid to higher end of the market taking the form of designer names. At the same time, precious jewellery is likely to be considered by many as a very personal and cherished belonging with high levels of satisfaction attached to its possession. Precious jewellery is likely to be considered to be a discretionary and expensive purchase by most of its consumers. Consumers are also likely to use precious jewellery to enhance their self image while treating it as a very special personal belonging. Thus it makes sense to explore the impact of brand name and place of origin on consumers' evaluation of precious jewellery. Some of the earlier studies have also suggested that the effect of objective product attributes in can be moderated by factors like consumers' individual differences and consumers' familiarity with the product and knowledge about the product category (bettman and park, 1980; Oliver, 1980).

Today's customers consider functional features and benefits, product and quality, and a positive brand image as given. What they want are products, communication and marketing events that dazzle their senses, touch their hearts, and stimulate their minds. They want products, communications and campaigns that they can incorporate into their lifestyles. They want products, communications and marketing to deliver an experience (Schmitt, 1999, p. 22).

Spectrum of Luxury: Linking Rational and Emotional Value through the Brand

Luxury purchases, like any expensive jewellery purchase, move along an axis of functionality. This axis has been converted into a spectrum of luxury ranging from a purely rational choice e.g. price to an emotional choice. Luxury products tend to be more emotional than rational, indeed perfect inaccessible luxury is when the two extremes of the spectrum are fused together, creating a uniqueness of the rational and emotional. Luxury brands have a low functional utility to price ratio (Chiari, 2007), but a high intangible utility to price ratio. This means that the more emotional a luxury brand is, the more inaccessible the price becomes.

The jewellery industry in the quarter has experienced ups and downs throughout its 150-year history, as jewellery has changed its value to consumers and as technologies have changed ways of production. The ability of the Birmingham jewellery cluster to maintain its grip on demand was, in the past, due to innovations in treating precious metals, such as electroplating or mechanized chain moulding; as well as in product innovation and fashion setting, thanks to the geographical proximity of similar specialized businesses generating virtuous circles of competition and cooperation (Cattell et al. 2002). More recently, the mass production of affordable jewellery has become increasingly monopolized by the global presence of Chinese and Indian producers, so Birmingham jewellery firms have no other option but to aim for the top end of the market. Indeed, to maintain their competitive position in the domestic market and to export, jewellery firms need not only to keep up with technological progress, but more importantly to offer pieces of jewellery that have a very highly innovative and creative content and that are almost unique. The challenge is, therefore, to re-combine existing competences and skills with novel ideas and designs to create high value-added pieces able to penetrate price-inelastic segments of demand.

Asians are more likely to have high brand loyalty. However there is a difference between Asian Americans' and Asian nationals' buying behaviour. Asian Americans seems to be more price-, selection-, and location-conscious, while Asian nationals are more willing to pay higher price for products. They put more emphasis on brand and store names. Most Asian nationals, especially those with higher education, are more likely to buy apparel, shoes, and health and beauty aids that are designer brands. On the other hand, many Asian Americans have their own loyalties. As they become acculturated and confront a greater multitude of new and different brands, the previous loyalty for certain products is diminished and they turn to new buying habits (Miller, 1991). According to the American Management Association (1987), all of the sources of product information and advertising have a great effect on Asian American buying decisions.

IV. RESEARCH METHODOLOGY

5.1 Data collection

This research study is descriptive in nature and has focused on understanding the purchase patterns of customers shopping Diamond Jewellery. The data has been gathered by administering a structured questionnaire to 120 purchasers of Diamond jewellery. The survey instrument has been used to collect data from them about various types of behaviour portrayed by them during purchase of either costume or precious jewellery. The questionnaire has been developed inferring from the literature review on customers shopping

behaviour of jewellery. In the survey, there are 20 questions, which were then sub-divided. The questionnaire has been divided into three categories:

1. Demographic details of the respondent,
2. Their attitude towards purchase of Diamond Jewellery
3. Their actual purchase behaviour towards Diamond Jewellery

For gathering demographic data we used open ended questions for the name and address and dichotomous or multiple choice questions for the rest. Attributes and buying behaviour were collected mainly by using the five point Likert rating scale. Each question anchored from 1 to 5, where 5 indicates strong agreement and 1 indicates strong disagreement. The respondents were guaranteed confidentiality.

Personal interviews were also conducted with some of the respondents. Questionnaires were distributed in person while telephonic interviews were conducted for outstation respondents.

5.2 Universe and Sample Selection

Questionnaires were distributed to 200 respondents of which 120 were found to be valid. The average age of the respondent was a little less than 35 with an average household income of Rs. 10 lakhs per annum. All respondents are residing in Mumbai or Navi Mumbai. The sample is biased towards married working women with 75% being married and 72% engaged in working outside the house. They are also highly educated with every one having completed graduation and 78% having completed post graduate levels. The respondents for this study were drawn using the convenient, non - stratified sampling method.

5.3 Data analysis

To examine the data, statistical and quantitative analyses methods have been used. Descriptive statistics and inferential statistics were run to analyze the collected data. The responses to the questionnaire were analyzed using the Statistical package i.e. SPSS.

5.4 Statistical method:

Chi Square Analysis – This is tool is used to test hypothesis and whether the variables like age, frequency of purchase of diamond jewellery, total amount spent on diamond jewellery, amount spent on purchase of Diamond jewellery on an impulse, etc. and age are statistically associated with each other significantly.

V. FINDINGS AND DISCUSSION

The study was conducted to assess the buying patterns of the consumers with regard to purchase of both precious and costume jewellery. To undertake this study following hypotheses were framed:

- H1: Age will have a significant difference on the frequency of purchase of Diamond Jewellery
- H2: Social status will have a significant difference on the frequency of purchase of Diamond jewellery.
- H3: The frequency of purchase of Diamond jewellery will significantly impact buying diamond jewellery on special occasions.
- H4: The design of Diamond jewellery as desired by the consumer significantly affects the frequency of purchase of Diamond jewellery.
- H5: Quality perception of diamond jewellery buying from Organized Jewellery retail chain will significantly affect buying behaviour
- H6: The designing of diamond jewellery as desired by the consumer will significantly affect the frequency of purchase of diamond jewellery.
- H7: The service offered at organized retail store will significantly affect the total amount spent on purchase of Diamond jewellery
- H8: Image of the store will significantly affect the purchase of Diamond jewellery

Variable 1	Variable 2	df	Asymp. Sig. (2-sided)
Age	Frequency of purchase of Diamond jewellery	18	0.78
Frequency of purchase of Diamond jewellery	Diamond jewellery on special occasion	12	0.223
Frequency of purchase of Diamond jewellery	Purchase Diamond jewellery when I like a design	12	0.149
Buy Diamond jewellery when I like a design	Money spent on Diamond jewellery on impulse	12	0.997
Annual house hold income	Money spent on Diamond jewellery on impulse	12	0.636
Annual house hold income	Amount spent on Diamond jewellery	12	0.207
Annual house hold income	Amount spent on Diamond jewellery for Gift	12	0.214
Frequency of purchase of Diamond jewellery	Amount spent on Diamond jewellery Gift	6	0.014

From the above table it may be inferred that the hypothesis that age will have a significant difference on the frequency of purchase of Diamond jewellery is rejected as the p-value obtained is 0.78 which is insignificant at 0.1 levels at 18 degrees of freedom.

The Second hypothesis (H2) stating that Social status will have a significant difference on the frequency of purchase of Diamond jewellery and p-value obtained is 0.223 which is insignificant at 0.1 levels at 12 degrees of freedom.

The hypothesis (H3) the frequency of purchase of Diamond jewellery will significantly impact buying diamond jewellery on special occasions stands rejected as the p-value obtained is 0.149 which is insignificant at 0.1 levels at 12 degrees of freedom.

The hypothesis (H4) the design of Diamond jewellery as desired by the consumer significantly affects the frequency of purchase of Diamond jewellery rejected as the p-value obtained is 0.507 which is insignificant at 0.1 levels at 16 degrees of freedom.

The hypothesis (H5) stating that Quality perception of diamond jewellery buying from Organized Jewellery retail chain will significantly affect buying behaviour is accepted as the p-value obtained is 0.010 which is significant at 0.1 levels at 16 degrees of freedom.

The hypothesis (H6) suggested that the designing of diamond jewellery as desired by the consumer will significantly affect the frequency of purchase of diamond jewellery stands rejected as the p-value obtained is 0.997 which is insignificant at 0.1 levels at 12 degrees of freedom.

The hypothesis (H7) suggesting that the service offered at organized retail store will significantly affect the total amount spent on purchase of Diamond jewellery accepted as the p-value obtained is 0.636 which is significant at 0.1 levels at 12 degrees of freedom.

The hypothesis (H8) stating that the Image of the store will significantly affect the purchase of Diamond jewellery also accepted as the p-value obtained is 0.207 which is significant at 0.1 levels at 12 degrees of freedom.

Our study found a lot of the commonly believed reasons for purchase of jewellery to be correctly assumed but more importantly it has refuted some common beliefs.

From the study it is clear that the amount of money spent on a one time purchase of jewellery for self lies between Rs 20 to Rs 50 thousand for 52 % of the sample but a gift of precious jewellery would mean an expense less than Rs, 20,000 by 92.5% of the women.

There were only two well known retail names that have been repeated by 7.5% of the sample respectively. They are Tanishq and Nakshatra and others like Ddamas and Gili follow the lines. The customer buying process ends with the Experience. It is the experience of giving, receiving and wearing diamond jewellery that determines whether the gift is cherished and kept. Do you know of a customer who wears expensive diamonds on her right hand, bracelets or earrings, yet still wears the 1/4- carat engagement ring she got 30 years ago? Why do you think this is? It is because of the memory of the Experience. Customers want more than a diamond; they want the experience of giving and receiving a diamond. He wants to see the look on her face when she opens the box. She wants to feel the speechless 'gasp' as she draws in her breath at her first look at the diamond he chose for her. She wants to feel cherished. He wants to be the hero. He wants to let her know how special she is. She wants him to know how much this amazing symbol of his love trusting the store seems to be an area of interest. While 43.6% strongly agree to trust the family preferred store, only 25.7% have chosen 'strongly agree' for trusting the nationally branded store.

Most consumers are unaware of charges at stores other than the one they buy from and are usually not interested in resale.

Similarly in-store service and rapport with sales people elicit lukewarm reasons for sales of jewellery with both sets of customers agreeing that these attributes are not equally in family preferred stores and well known branded stores and branded stores have better ambience and service.

Contrary to our belief, we find the advertisements for Tanishq (the ad with the highest recall) did not hold high appeal. Only 11% strongly agreed to the ads being very appealing.

VI. CONCLUSION

Diamond jewellerys are very precious and regarded as luxury to womens and Indian womens also turning up towards to Diamond from traditionally liked Gold ornaments and younger age groups as well as working womens are showing great penchants towards this rare natural gift also study shows there is 12% growth in CAGR in Diamond Jewellerys segments. Where Increasing prosperity and working womens class are contributing in large number with this segments growth in India, Quality perception and better store ambience always gives customer a reason to comeback with increasing organized retail chain presence. At the end we can say this segment belongs to Womens dominantly either ways as a customer or Influencers.

Further research needs to be conducted to find out why the traditional stores keep low scoring over the branded jewellery stores in spite of the consumers high frequency visit to traditional stores. Another interesting study could be done to find whether online retailing could be a new success in Diamond Jewellery Retailing.

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