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Research Paper

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Influence of Lifestyle Perception on Gold Purchase Decisions

Miss. V. Sujatha 5, Jambukeswaran Nagar, 4Th Cross St, Korattur, Chennai-600 080

Dr. S. Kumaresan Associate Professor, Dept Of Commerce, Pachaiyappa's College, Chennai-600 030

ABSTRACT

The Indian demand for gold jewelry is 22% of the global market according to research conducted by the World Gold Council (Dempster, 2006). Additionally, India represents 35% of the net retail investment, including gold coins and gold bars. 'India is the world's largest consumer of gold in tonnage terms'. Gold is a formidable part of showcasing the Indian customs and traditions. The culture celebrates many religious festivals and occasions such as weddings when gold is worn as part of the colourful and lavish outfits. Giving gold as gifts is also very common. Gold is considered to be a superior product irrespective of its Cost and the affordability of the people in buying the same. It is preferred by all classes of people and is inevitable for certain rituals, functions and celebrations as per our cultural demands. Although price of gold fluctuate frequently its purchase and the people flocking behind it has not decreased. Lifestyle is a major aspect that influences the purchase decisions of gold. This paper has made an attempt to study the influence of lifestyle on the purchasing decision of gold in Chennai city.

KEYWORDS: Gold buying behaviour, Chennai, Lifestyle, Decision patterns, Perception

Introduction

Lifestyle is a common word to explain complicated consumer behaviors. Lifestyle is a way to segment people into groups based on three things: opinions, attitudes and activities. Lifestyle means the ways groups of consumers spend time and money. Lifestyle can include things like bowling, cooking, car racing, kayaking, attending charity events, having pets, interest in politics, watching sporting events and so on. Everyone has two lifestyles-the one they are currently in and the one they want to be in, which is always better than the current one. Marketers exploit this desire to move into a better lifestyle by showcasing people who are better off than the intended target market in their ads. For example most ads targeting children show children that are almost too old for the product, this appeals to younger children who desire to be like them.

Attitude

An attitude is an internal evaluation, expressed outwardly about a person, object or issue. There are three components of attitude - affect, behavior and cognition. This is called the ABC's of attitude. These three components work together to form a hierarchy of effects:

Purhase	Hierarchy of effects
High involvement	Belief—affect—behavior
Low involvement	Belief—behavior—affect
Experiential	Affect—behavior—belief
Behavioral Influence	Behavior—belief—affect

In a purchase that requires a high level of involvement, such as a car, consumers will consider various choices and develop beliefs about each choice; then they develop feelings about the products (affect); and finally they act on the behavior and decide to purchase, or not. Whereas with a behavioral influence, the customer will act first (purchase), then develop beliefs about their purchase and that leads to developing feelings about the product or service.

ELM Model

One theory about attitude change is the Elaboration Likelihood Model (ELM). This model shows how attitudes are changed based on the level of involvement in the purchase. As soon as a message is received a consumer begins to process it, depending on the level of involvement and motivation it will then follow one of two routes—the central route or the peripheral route.

The central route: If the consumer is highly involved in the purchase, then they will put forth considerable effort toward understanding the marketing messages. They will look for cues in the message that pertain to the product, its attributes, and advantages.

The peripheral route: If the consumer is not highly involved in the purchase, or lacks the motivation to process information, they are more likely to pay attention to the attractiveness of the people in the advertisement, images and music, which are all non-product related information. These cues play a major role in persuading consumers to purchase. This usually leads to a product attitude change that doesn't last.

Based on the ELM model the central route is followed by the customers while buying gold. The customers usually get involved highly in the purchase of gold. This is reflected in terms of their rushing during the price fall of gold and by the rich people even during high prices of gold. This shows that the lifestyle influences the gold buying decisions. Based on this assumption the study was conducted among the Chennai city people to study their lifestyle influences on the decision pattern of gold buying.

The Research Setting

Chennai in Tamilnadu state of India is the fourth metropolitan city with a heterogenic and a cosmopolitan mix of people. They represent a wide mix of people from various parts of the country and testing the population of Chennai will give a clear idea of how lifestyle influences the decision making of gold purchase. The respondents were chosen by non-probability convenience sampling method. 272 respondents were chosen for the study and they were surveyed using a self developed questionnaire consisting of items to measure decision patterns of gold purchase based on life style. The scale consisted of 15 items measuring opinion, attitude and activities constituting five items each. The developed scale was tested for its reliability and found that the cron bach's alpha was 0.672. Decision making pattern was measured using 12 item self developed scale. It was tested for its reliability and found that the cron bach's alpha was 0.816. This shows that the scale was highly reliable.

Objective of the study

- To identify the influence of gender on the Gold buying behavior.
- To study the correlation between lifestyle aspects and the decision patterns of gold purchase.

Hypothesis of the study

- There is influence of gender on gold buying behavior.
- There is correlation between lifestyle aspects and the decision patterns of gold purchase.

The above hypothesis was tested using pearson's correlation analysis to find the correlation between lifestyle influence and decision pattern in gold purchase behavior. Chisquare test was exploited to find out the influence of gender on gold buying decisions.

Analysis and Discussion

Frequency distribution of socio-demographic variables (n=272)

Variable	F	%
Gender : (1) Male (2) Female	 130 142	 47.8 52.2
Total	272	100%
Age : (1) 21-30 (2) 31-40 (3) 41-50 (4) >50	 71 88 104 9	 26.10 32.35 38.24 3.31
Total	272	100%
Marital Status: Single Married	 102 170	 37.5 62.5
Total	272	100%
Personal Monthly Income : (1) < 20000 (2) 21000-40000 (3) 41000-60000	 89 136 47	 32.7 50.1 17.0
Total	272	100%
Total Experience: < 3 years 3-6 years 6-9 years 9-12 years >12years	 58 56 25 26 107	 21.2 20.6 9.1 9.6 39.5
Total	272	100%

Gender of the respondent and their influence on Gold purchase buying behaviour

For testing the hypothesis, Chi-square test was applied to find the association between gender of the respondent and gold buying behavior. Gender of the respondent is classified into male and female. This is explained in the table given below.

S.No	Gold Buying Behaviour	Chi Square observed value	S/NS
01.	Status symbol	5.402*	S
02.	Image	6.153*	S
03.	Investment	6.079*	S

***P<.05**

Gold buying behaviour was tested here in terms of three variables. The above table explains that that there is a significant influence of Gender on the aspects of gold buying behavior.

Karl Pearson's co-efficient of correlation was brought into the context to explore the parametric relationship between Organizational Politics and Turnover Intention among the faculty members of educational institutions in Chennai.

		Attitude
Gold purchase decision making	Pearson Correlation	.743(**)
	Sig. (2-tailed)	.000
	N	272

**** Correlation is significant at the 0.01 level (2-tailed)**

		Opinion
Gold purchase decision making	Pearson Correlation	.651(**)
	Sig. (2-tailed)	.000
	N	272

**** Correlation is significant at the 0.01 level (2-tailed)**

		Activities
Gold purchase decision making	Pearson Correlation	.842(**)
	Sig. (2-tailed)	.000
	N	272

**** Correlation is significant at the 0.01 level (2-tailed)**

Lifestyle influence was measured in terms of attitude, opinion and activities. This was tested for its correlation with decision making for gold purchase. Positive correlation was identified between attitude of the gold buyers and their decision for buying gold (r=0.743). Positive correlation was identified between opinion of the gold buyers and their decision for buying gold (r=0.651). This shows that the attitude of the people influences the decision making of customers. Attitude is moulded by the lifestyle experienced by a person and that influences the purchasing decision of gold extensively. Therefore it serves as an unpredictable factor, of how the attitude may be in what conditions and how it will change in what conditions. Therefore a constant reading of the attitude is required to predict the buyers' decision making. Positive correlation was identified between activities of the gold buyers and their decision for buying gold (r=0.842). This shows that lifestyle of employees influences the decision making pattern of the gold buyers to a great extent. The positive correlation has been supported by several previous studies like Rook, Dennis W. (1985), Siroya et al (2005). Activities mean the behaviour of the customers and the exposure of the customers to several aspects of the society. This is also extensively influenced by the lifestyle of the customer and is an important aspect to be constantly studied to predict the behaviour of the customers towards gold buying.

Conclusion

The study was conducted among 272 respondents to test their gold buying behavior. The study has found the correlation between gold buying behavior and lifestyle of the respondents. The lifestyle was classified based on three types of perceptions like attitude, opinion and activities. The study has also tested the influence of gender on the gold buying behaviour that was tested using three variables namely. From the Pearson's chi square analysis it was found that there was a significant influence of gender on gold buying behavior. Two hypothesis were tested to find the influence of gender on gold buying behavior and to find the correlation between lifetsyle and decision pattern of gold. Both the hypotheses were accepted and was found that there is significant influence of gender on gold purchasing behavior in Chennai city. Lifestyle also seems to have a great influence on the decision making of gold buying behavior in Chennai city.

The findings from this study give a lead to further do extensive literature to identify several minute aspects that may influence gold buying behavior. Buyer behavior is very important for any product because it influences the demand of the product with respect to most of the products in marketing scenario. This is not an exception to gold as a product in this study. Gold also is a product that is being demanded by the customers in a varied manner dependant on the purchasing capacity, need for the product, ability of possessing it etc. However this study has concentrated on lifestyle alone as a major factor influencing the gold buying behavior. This is a limitation of the study. This study is restricted to Chennai city but its findings can be generalized to whole of the country as Chennai city comprises of a heterogenic mix of people from all over the country. This is a merit of the study.

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