



A Study on Consumer Awareness About Gold Jewellery in Tamil Nadu

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ABSTRACT

Indian Jewellery market is the largest market in the world next to China. Indian consumers are buying gold jewellery mainly for the wedding ceremony. Indian wedding generates 50 percent of the world annual gold demand. Over the next two decades, 15million weddings to be arranged. Therefore, there is a high demand for gold jewellery in India. Consumers are buying gold jewellery for all occasion. But, it is important to know whether, they are fully aware about gold purity/ fineness, market price of gold, making charges, wastages charges, and fineness/ hallmark certificate issued by Bureau of Indian Standards. Many buyers are still buying gold jewellery from non-branded stores, and not insisting purchase bill for their transactions. Many gold jewellers are not ready to buy back the gold jewellery sold buy them. This shows a lack of awareness among the consumers of gold jewellery in India. Hence, the purpose of the article is to analyze the consumers awareness about gold jewellery in the select districts of Tamil Nadu.

KEYWORDS

Gold jewellery, Consumer Awareness, Karat, Karat Meter, Hallmark, Branded Jewellery, BIS

**Introduction**

China and India is the largest market for gold jewellery in the world. Approximately 3000 tones of gold produced in the world, of which approximately 750-800 tonnes of gold have been imported by India every year. However, the government of India has been taking steps to reduce the current account deficit and control the import the gold, but current account deficit and import of gold are not reducing. In the gold market, around 80 percent of the gold import, used for gold jewellery fabrication, and 15 percent for investment demand, barely 5 percent is for industrial use.

Jewellery industry is a great industry; it is giving directly employment to 2.5 million and contributed to INR 99,000 crore as value addition to the economy. The gems and jewellery industry is one of the highest contributors to Indian economy, highest contributor to export(INR 227,000 crore – 2012-2013).[1] Further, many branded and non- branded jewellery stores are targeting the jewellery consumers and selling jewellery worth crores and crores of Indian rupee every year. Indians are fond of gold jewellery from the ancient period.

Out of the total sales every year 20 percent have been purchased by northern states, 15 percent by eastern states, 30 percent by western states, and the maximum 35 percent by Kerala, Karnataka, Andhra Pradesh and Tamil Nadu, states which are actively buying gold jewellery every day. Major contribution in sales by southern states of India. Consumers are buying gold jewellery mainly for wedding. Apart from this, across the country regional festivals are celebrated with gold: in south Akshaya Triithiya, Pongal, Onam and Ugadi, in the east Durga Puja, in the west Gudi Pavda, in the north(1) Baisaki and Karva Chauth. Gifting gold is deeply ingrained part of marriage rituals in Indian society. Weddings in India generate approximately 50 percent of annual gold demand, and over the next two decades 15 million marriages are to be celebrated.

There are many jewellery stores in India. The jewellery stores are selling gold jewellery in different karat. Karat means, notifying the purity/ fineness of gold.( not – carat: carat is relating to diamond as measuring of weight). Pure is gold is 100 percent gold and is called as 24 karat gold or 24k gold. This 24K

gold is so soft, and it cannot be used for any jewellery making purpose. Hence making it bit hard some other metals such as, copper, silver or cadmium etc., to be added to it. Based on adding other metals of gold purity of gold changes from 24K , 22K,18K, or 14K. Below table shows the details of the same.

**Table 1: Purity/ fineness of Gold**

24K gold	100% pure + 0% other metals
23K gold	95.8% pure +4.2 % other metals
22K gold	91.6% pure + 8.4% other metals
21K gold	87.5%pure +12.5% other metals
18K gold	75% pure + 25% other metals
17K gold	70.8%pure +29.2% other metals
14K gold	58.5% pure+ 41.5% other metals
12K gold	50% pure+50% other metals
9K gold	37.5% pure +62.5% other metals

**Source: [www.bis.org.in](http://www.bis.org.in)**

Further, the purity of gold is certified by Bureau of Indian Standards(BIS). This is called hallmark of BIS. If the jewellery bears the hallmark symbol over it, it shows the purity of gold. Hence, purity of gold is important for the buyers of gold jewellery when they buy. Further, fineness/ purity is a major determinant in the price fixation of gold. The price of the gold jewellery is fixed in the following manner.

Actual weight of gold and its purity(K) .....Rs.XXX

Add: Wastage charges (8% to 25%).....Rs.XXX

Add: Making charges (labour charge).....Rs.XXX

Add: Value Added Tax.....Rs.XXX

Selling price of gold Ornament Rs.XXXX

The above details show the cost of making and selling price. However, in practice, not all jewellery stores, but many stores not following ethics in their business. The purpose of the research article is to analyze the awareness of the buyers about gold jewellery, whether they aware of all these this before

buying jewellery or not. Based on the above the researcher decided to undertake the study.

Statement of the Problem

The Consumer movement is as old as commerce and trade in India. But consumer awareness is not improved even after many years. According to the report prepared by CUTS, international, only 20 percent of the consumers know about the Consumer Protection Act, and who has heard about consumer rights is just 42 percent only. Right to information is one of the rights of the consumers according to the law. Therefore, all necessary information to be given to the consumer about the goods and services they acquire. All necessary information to be provided for all products hence, jewellery has exception. The necessary information like, right purity of gold, hallmark symbol, correct weight, correct color, the correct percentage of wastage, and making charges. But many of the buyers are unaware of karat, wastage, making charges, whether it is branded or non-branded. It is not an excuse, hence; it is the responsibility of the buyers of gold jewellery, to make necessary enquiry about the purity of the gold, right weight, making charges, wastage, color of gold, hallmark, makers mark, either stone value has been deducted while buying stone studded gold jewellery from the original gold value or not. Further, some jewelers are not ready to buy the jewellery sold by them to the consumers. All these are the subject matter warranting enquiry, and this has prompted the researcher to carry out a micro level study on awareness about gold jewellery in Tamil Nadu.

Objective of the Study

The objective of the present research paper is to examine the consumer awareness about gold jewellery in the select districts of Tamil Nadu.

Data Source

The data source for the study is primarily based on the primary data collected from 600 respondents from the select districts of Tamil Nadu.

Sampling technique and Methodology

Simple random sampling method has been adopted for the study. Since the population universe is very large, this method has been used. In the first stage twelve districts of Tamil Nadu, viz., Chennai, Coimbatore, Erode, Madurai, Nagapattinam, Ramanathapuram, Salem, Thanjavur, Tiruchirappalli, Dindigul, Tirunelveli and Thiruvavur districts have been selected at random. Out of these 12 districts, fifty respondents have been chosen at random from each district, (12\*50=600) and a pre-tested interview schedule has been administered to the respondents, and their responses recorded.

Analysis and Discussion

The main aim of the study is to ascertain the awareness of consumer towards gold jewellery in the study area. The researcher used both optional and bipolar type of questions to ascertain the awareness level of gold jewellery buyers. In this context, the researcher used simple percentage analysis to describe and measure the awareness level of gold jewellery buyers.

Table 2 Factors responsible for buying gold jewellery

S.No	Particulars	Variables	Frequency	Percentage
1	Type of gold jewellery wish to buy	Man – made Machine made	399 201	66.5 33.5
2	Awareness on man - made gold jewellery	More weight Limited design Price comparatively less Luck of hand	131 96 65 107	32.8 24.1 16.3 26.8

3	Awareness on machine made gold jewellery	Less weight Confirm pure quality More design Status	41 57 94 09	20.4 28.4 46.8 4.5
4	Frequency of advertisement watched	Once Twice Thrice Many times	57 37 31 475	9.5 6.2 5.2 79.2
5	Commercial advertisement in gold jewellery shops	Lalitha jewellery Kalyan jewellery Jos – alukkas Joy – alukkas Thangamayil Khazana jewellery	63 300 144 29 20 44	10.5 50.0 24.0 4.8 3.3 7.3


Source: Primary Data

The above table shows the factors responsible for gold jewellery. It is prepared by using simple percentage analysis, and prepared to find the factors responsible for buying gold jewellery. The sample size of the study is 600, of which 66.5 percent of respondents belong to; man – made gold jewellery and remaining percentage machine made gold jewellery. 32.8 percent of the respondents in the man made gold jewellery is aware of more weight; 46.8 percent of the respondents in the machine made gold jewellery is aware of more design. It is generally dependent on the wealth of the consumers and further found that 79.2 percent of the respondents has seen gold jewellery advertisement in many times and 50.0 percent of the respondents in the kalyan jewellery advertisement of gold jewellery has created consumer awareness.

1.2 Features Considered for Buying Gold Jewellery

On 11<sup>th</sup> April 2000, the BIS launched its hallmarking scheme. The primary objectives of the scheme were consumer protection, to enhance exports, to improve the quality, and purity of gold jewellery produced and to monitor any loss to the economy due to the improper karat. Hallmarking involves Bureau of International Standards (BIS) symbol or logo, the symbol of hallmark bears, hallmarking center, code of purity in percentage, code of marking year and symbol of jeweller. The following frequency distribution presents the most preferred features considered for buying gold jewellery by the consumers.

Table 3 Features Considered for Buying Gold Jewellery

Features Considered for Buying Gold Jewellery	Yes	No	Total
BIS 	303 (50.5%)	297 (49.5%)	600 (100%)
Hallmark year	170(28.33%)	430 (71.67%)	600 (100%)
22kt (916)	459(76.5%)	141 (23.5%)	600 (100%)
Jewellery Mart Stamp	247(41.17%)	353 (58.83%)	600 (100%)
Hallmark	170(28.33%)	430 (71.62%)	600 (100%)

Source: Primary Data

From the above table it is found that, 76.5 percent of the respondents considered buying gold jewellery for 22kt (916) followed by 50.5 percent of the respondents for Bureau of Indian Standards (BIS). It is further found that, 41.17 percent of the respondents considered for jewellery mart stamp, 28.33 percent of the respondents considered buying gold jewellery for hallmark (H). Similarly, same percentage of the respondents (28.33 percent) stated that they aware of hallmark year also.

The researcher segmented the question in two types. The first type, the researcher completely describe the percentage contribution of different options in the awareness domain. The bi-

polar type of questions are separately considered for the neat presentation and convenience.

Table 4 Awareness about Gold jewellery

S.No	Variables	Yes	No	Total
1	Checking of purity/ fineness	527 (87.8 %)	73 (12.2 %)	600 (100%)
2	Aware of karatmeter	347 (57.8 %)	253(42.2 %)	600 (100%)
3	Aware of market rate	501 (83.5%)	99 (16.5%)	600 (100%)
4	Aware of price fixation of gold jewellery	367 (61.2%)	233 (38.8%)	600 (100%)
5	Insisting purchase receipt	500 (83.3%)	100 (16.7%)	600 (100%)
6	Purchase through online shopping	64 (10.7%)	536 (89.3%)	600 (100%)
7	Awareness on consumer movement	331 (55.2%)	269 (44.8%)	600 (100%)
8	Lodged a complaint regarding gold jewellery in consumer court.	38 (6.3%)	562 (93.7%)	600 (100%)

Source: Primary Data

From the above table, it is found that the consumer and their awareness level are more in the case of gold jewellery characteristics. It is revealed that 87.8 percent of consumer of gold jewellery checks the purity of both items in the pair. 57.8 percent of the respondents are aware of karatmeter . The researcher found that majority of the respondents (83.5 percent) knew and aware of the market rate of gold jewellery. Most of the respondents eagerly wait to know the market rate because the gold rate is fixed twice a day and strongly influenced by supply and demand. 61.2 percent are known the price fixation of gold jewellery. The gold jewellery price is same in all over the world, but the making charges and wast-ages are different from place to place and from the shop to shop. It is opined that the 83.3 percent of the respondents insisted and received the receipt from jewellery shop. 10.7 percent of the respondents like to buy gold jewellery through online shopping. The researcher observed that the youth, like corporate employees like to buy through online shopping because they do not find time and not ready to spend hours for shopping, so they conveniently do online shopping. In the sample respondents, 55.2 percent were aware of the consumer movement and rights regarding gold jewellery. Most of the consumers were aware almost confined to urban areas. 6.3 percent of the respondents lodged complaint has expressed an opinion that they believe in the consumer grievance redresal system.

Findings and conclusion

The researcher empirically identified that the most of the consumers are aware of the gold jewellery. 66.5 percent of the consumers wish to buy man – made gold jewellery. The reason for buying man – made gold jewellery is primarily for more weight and more design for machine made gold jewellery. The consumers watched many times in gold jewellery advertisements and also kalyan jewellery shop commercial advertisement has created consumer awareness on gold jewellery. The findings of the research reports that 76.5 percent of the respondents considered and aware of buying gold jewellery for 22kt (916). The findings of the research revealed that 87.8 percent of consumers of gold jewellery check the quality of both items in the pair. 10.7 percent of the respondents like to buy gold jewellery through online shopping and 6.3 percent of the respondents gave lodged complaints. It is further ascertained that the consumer awareness of gold jewellery for karat meter, aware of the market rate, price fixation, receiving receipt and consumer movement and rights is considerably satisfactory. However, the level of awareness about gold jewellery must be increased in the minds of consumers. Therefore, the consumer councils, forums, and the Government of India should take necessary steps to improve the awareness in the minds of consumers, and this will certainly help the consumers of gold jewellery.

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